


BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

MAY 1953



Ten Cited
Advertising
Programs
(page 35)

Government
Bond Outlook
(pages 50, 53)

▲
A Corner of the
Forum in Print Exhibit
(See page 35)
▲

**"You mean my storeroom
is a
field
warehouse?"**



That's right. When a customer of yours wants to borrow on inventory, Douglas-Guardian can install a field warehouse right on his premises — in his own loft or storeroom or in any segregated section of his plant.

This means, of course, that the customer saves the expense and inconvenience of moving the merchandise to some distant storage point. It means, too, that the bank making the loan has two-fold security for the money it lends — our bona fide warehouse receipts *plus* actual inventory of the borrower.

Next time your customers inquire about inventory loans why not call us in and let us work out all the details? Our many years of experience can add to your loan volume and save you time, research and paper work.

YOU MAKE THE LOANS — WE'LL MAKE THEM SAFE
DOUGLAS - GUARDIAN
WAREHOUSE CORPORATION

"THE BANKERS' FIELD WAREHOUSE COMPANY"



NEW ORLEANS 1, La., 118 North Front St.
 NEW YORK 4, N.Y., 50 Broad St.
 CHICAGO 2, Ill., 173 W. Madison St.
 ATLANTA 3, Ga., Hurt Bldg.
 CLEVELAND 23, Ohio, 398 E. 232 St.
 DALLAS 1, Texas, Tower Petroleum Bldg.
 SPRINGFIELD 3, Mass., 172 Chestnut St.

LOS ANGELES 14, Calif., Garfield Bldg.
 MEMPHIS 3, Tenn., Porter Bldg.
 PHILADELPHIA 2, Pa., Girard Trust Bldg.
 PORTLAND 4, Ore., U.S. Nat'l Bank Bldg.
 ROCHESTER 4, N.Y., Commerce Bldg.
 SAN FRANCISCO 4, Calif., 300 Montgomery St.

SPRINGFIELD, Mo., McDaniels Bldg.
 TAMPA 2, Fla., 416 Tampa St.
 HARTFORD, Conn., 149 Woodland St.
 MIAMI 44, Fla., 2450 S.W. 62nd Ave.
 DETROIT, Mich., Penobscot Bldg.
 MARION, Ind., P.O. Box 742
 GRAND RAPIDS, Mich., 1368 Walsh St., S.E.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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for your convenience is usually listed under one heading only

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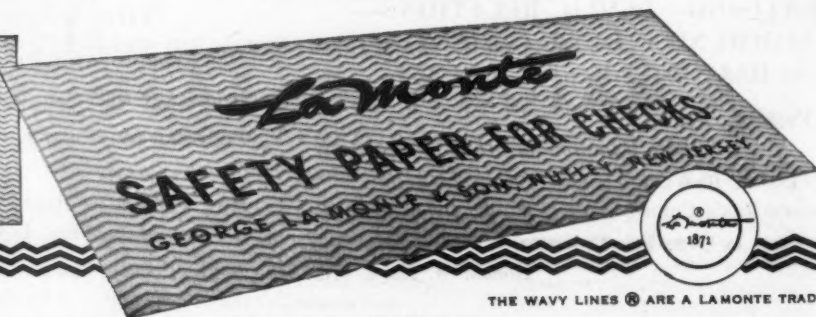
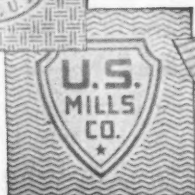


completes the picture . . .

Naturally, every bank strives to give its customers a *complete* banking service. New banking services are added as new customer needs present themselves . . . all in pursuit of the goal inherent in the phrase "complete banking service." True completeness of service entails careful consideration of the kind and quality of the checks you supply your customers. Thousands of bankers have found that the safety and fine appearance of checks lithographed on La Monte Safety Papers earn approval from the most discriminating customer. Why not ask your lithographer for samples or . . . write us direct.

A Check Paper All Your Own

Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such **INDIVIDUALIZED** check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.



THE WAVY LINES ® ARE A LA MONTE TRADE-MARK

Just a Minute

"Best of the Best"

BANKING reports this month on its 1953 Forum in Print. Fifty of the 308 banks represented received Citation awards for outstanding use of advertising during 1952, as exhibited at the Forum; their names are listed on page 36.

In accordance with custom we also publish samplings, necessarily brief, of the 10 "best of the best," selected for this purpose by the judges.

New features of the Forum report in this issue are judges' commentaries on the exhibit as a whole ("Congratulations, Bank Advertising!"), and letters by three students at the New York University School of Commerce, Accounts and Finance, where the Forum was held. They

write on why they liked their favorite piece of advertising.

Any Suggestions?

DURING the Forum one of the student visitors asked a BANKING representative:

"Where can I find a bank job that will pay about \$15,000 a year to start?"

Well, it took a few seconds to recover from that one. Finally BANKING countered with:

"Why don't you go into prize fighting, instead?"

The student, it developed, really meant it. He was making \$10,000 a year as a salesman for a real estate promotion and wanted to better himself. He was attending the university part time.



"I will not!"

The Female of the Species

WHILE serving as moderator at a Washington Press Club quiz at which members of Congress questioned newsmen, former Vice-president ALBEN BARKLEY was reminded of a story.

In a Kentucky bank (said the Veep) a country woman puzzled over a deposit slip. Opposite the word "currency" she put down the



ROB COOPF

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

THIS MONTH'S COVER

At the left, in the miniature of our cover picture, are shown a few of the exhibits in BANKING'S Forum in Print. The citation winners, comment by the judges, and examples of winning entries appear on pages 35-49

The Staff

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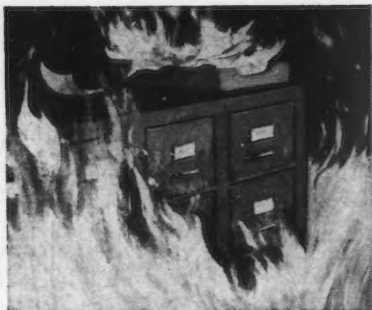
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FIRE



FLOOD



EXPLOSION



BURGLARY

Could your customers collect their accounts receivable

... if their records were destroyed?

Imagine it! One of your customers suddenly finding himself without any accounts receivable records!

No way to tell who owes him money ... or how much ... or for what.

He'd be in a tight spot, wouldn't he?

Because when he doesn't collect, he loses much more than the actual cost of his merchandise or services. He's out *overhead expenses*, too. And out the *profit* he'd counted on.

Under the circumstances, how would he meet his obligations to creditors? To you?

Easily—if he has Accounts Receivable Insurance. This protects him against financial loss caused by the damaging or disappearance of his records. Many, many hazards are covered. Among them *fire ... water damage ... storm ... earthquake ... explosion ... burglary*.

The cost of this broad-coverage insurance is moderate, the protection great. Why not suggest that your customers consult their Hartford Accident and Indemnity Company Agent or their insurance broker for the exact cost on their records? Or have them write us for a sample policy and complete details.

Year in and year out you'll do well with the

Hartford



Hartford Fire Insurance Company • Hartford Accident and Indemnity Company
Hartford Live Stock Insurance Company • Hartford 15, Connecticut

amount of money she was depositing. She listed her checks correctly. But the line marked "specie," mystified her.

After a slight pause she wrote "female."

Poesy, Too, Hath Charms

LET's thank Captain TOM L. GIBSON of Friars Point, Mississippi, for this one.

Friars Point is on record with a population of 906. Its Commercial and Savings Bank has total resources of around \$230,000. After hearing from the cap'n, we decided that high in this institution's list of assets are Mrs. F. E. CAMPBELL, cashier, and Miss DOLORES MORRIS, assistant cashier. They have educated fountain pens and a talent for customer relations.

It seems these ladies—with the approval, of course, of their chairman and president, Colonel HARRY J. LANDRY—decided that a bank which calls itself friendly should be—well, just that. So . . .

If you're overdrawn at the Commercial and Savings you don't get one of those terse, chilly notices. No, indeed. Instead, the mailman, like as not, will bring you this, written in a fair, feminine hand:

*"Roses are red, violets are blue,
Please come to see us, you over-drew."*

Who could resist?

Maybe you've slipped up on your check bookkeeping. How pleasant to be told:

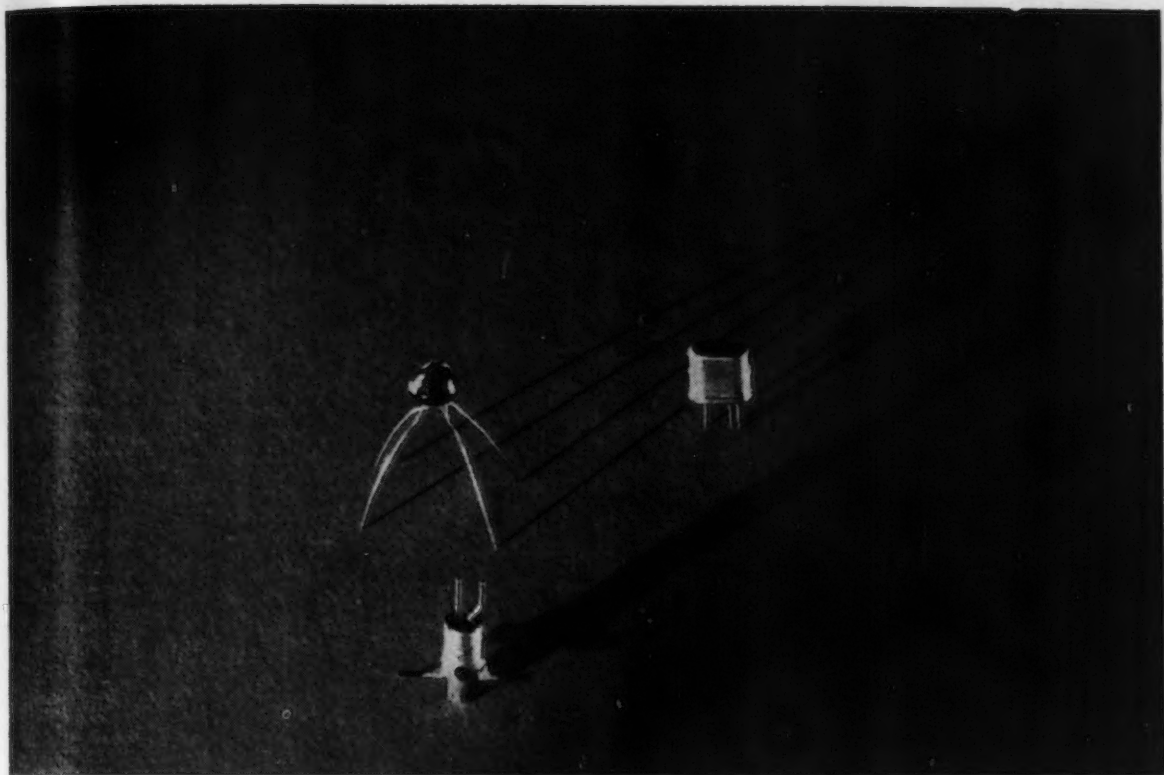
"It seems that you can't keep your checkbook straight, and to be
(CONTINUED ON PAGE 6)

"There! That's the last check, and we have minus \$167.43 in our checking account!"



-ALI-

BANKING



WHAT IS THE TRANSISTOR? It is a tiny electronic device that can do amazing things for you by amplifying electric signals. It requires only a fraction of the power of a vacuum tube. It will be low in cost and last many times longer. Three types of *Transistors* are shown above, about actual size.

That's the LITTLE GIANT with the Big Future

The *Transistor*—invented at Bell Telephone Laboratories—opens new doors to far-reaching improvements in telephone service and in other fields



Many important inventions for communications have come from the Bell Telephone Laboratories. Seldom, however, has there been a new discovery with the exciting promise of the *Transistor*.

This tiny device can amplify electric signals a hundred thousand times. It can do many things that vacuum tubes can do and many more besides. It is something entirely new, and works on entirely new principles.

Because it is so small and rugged,

and takes so little power, it can be used in ways and places beyond reach of a vacuum tube.

Invented at the Bell Laboratories to amplify the voice in telephone service, the *Transistor* is opening new doors of opportunity in other fields.

The Bell System has licensed thirty-eight other companies to make and sell transistors under its patents. This is in accordance with our established policy of making our inventions available to others

on reasonable terms. These include makers of advanced equipment for defense, as well as radios, television sets, hearing aids, and a wide range of electronic apparatus.

The *Transistor* is already being used in the new electronic equipment which enables telephone users to dial Long Distance calls from coast to coast.

It is another example of the value of Bell System research in bringing you more and better telephone service.

BELL TELEPHONE SYSTEM



Impact

the weekly
economic digest

**WILL DO A TOP LEVEL
PUBLIC RELATIONS
JOB FOR YOUR BANK**

Help the business leaders of your city take advantage of these timely economic facts and trends that are concisely digested each week in **IMPACT**. Written in clear, direct style, **IMPACT** points up the significance, explores implications—so often overlooked.

Inexpensive for your bank to mail out, **IMPACT** is a sure way to cement relationships with present accounts, ideal for establishing new ones. Write today for complimentary specimen copy.

IMPACT is published by
Business News Associates, Inc.
149 Broadway, New York 6, N. Y.

Mutual Investment Funds

Investors
MUTUAL
STOCK FUND
SELECTIVE FUND

Face-Amount
Certificate Company

Investors
SYNDICATE
OF AMERICA

Prospectuses of these companies available at offices in 148 principal cities of the United States or from the national distributor and investment manager

Investors
DIVERSIFIED
SERVICES, INC.

Established 1894

200 Rounke Bldg., Minneapolis 2, Minn.

(CONTINUED FROM PAGE 4)

perfectly frank,

You are too liberal with yourself, and too stingy with the bank!"

Cap'n TOM sent us only these two samples of the CAMPBELL-MORRIS handiwork. We respectfully offer, with our compliments, two more for use in certain situations:

Last month, my friend, you were in luck:

Your service charge was just one buck!

And:

Sugar is sweet, and so are you—Please be informed your loan's past due!

You're quite welcome, girls!

Currency Printing Changes

THE Treasury announces that it is placing in circulation \$1 silver certificates, series 1935, that differ in a slight detail from those now in use.

The change is in the check letters, the small letters in the upper left-hand and lower right-hand areas on the face of the notes. Heretofore these letters ranged from "A" through "L" but the new notes include "M" through "R." No change has been made in the design or size of the individual notes.

"The addition of the six new check letters," says the Treasury, "became necessary when the Bureau of Engraving and Printing began printing \$1 bills with 18 notes to the sheet instead of 12 notes as heretofore. Each check letter in-

dicates the particular position of the note on the sheet when it is printed.

"The presses used in the Bureau for printing currency are being converted as rapidly as possible to accommodate the larger size sheet. It is contemplated that before the end of this year all of the currency will be produced in 18-subject sheets. This will include not only silver certificates but also United States notes and Federal Reserve notes. There are substantial amounts of currency on hand printed in 12-subject sheets and considerable time will elapse before all of the 12-subject notes are put into circulation. In the meantime, notes from both the 12-subject sheets and the 18-subject sheets will be circulated.

"The adoption of the new procedure for printing currency in 18-subject sheets makes it possible to increase the output of currency notes and to decrease the cost of printing."

Some Observations by A. Lincoln

FROM I. M. LANDON of West Orange, New Jersey, comes a letter enclosing a time-yellowed clipping. It bears a picture of Abraham Lincoln and these sentences attributed to him:

"You cannot bring about prosperity by discouraging thrift."

"You cannot strengthen the weak by weakening the strong."

"You cannot help small men by (CONTINUED ON PAGE 11)

"You know, dear, I'm beginning to think the merchants don't care a snap about our budget"



Nature Sets the Stage!



WEST PENN Electric's service area has rich deposits of bituminous coal, limestone, and rock salt—basic ingredients in modern industrial chemistry. Together with the area's abundant water, these elemental substances are playing an increasingly important part in the creation of new plastics, drugs, fuels, insecticides, and other products to nurture modern life in all its aspects.

Industrial research laboratories of the area are the new frontier in the technology of coal, no longer only a fuel but the source of coal chemicals—building blocks for the future creations of the chemical industry.

Industries thrive in West Penn Electric's 29,000 square mile territory—in Pennsylvania, West Virginia, Maryland, Ohio, and Virginia—where electric power and manpower are also plentiful, markets and suppliers are near and full transportation services are available.

Our Area Development Department renders prompt assistance to manufacturers large and small seeking detailed information about plant sites. Write us about your requirements and receive a confidential report on where and how our small cities and towns can meet your needs.

THE *West Penn*
Electric Company
(INCORPORATED)

50 Broad Street, New York 4, N. Y.

Principal operating subsidiaries: Monongahela Power Company • The Potomac Edison Company • West Penn Power Company

Write your order for the **BIGGEST PROMOTION DIVIDEND IN AMERICAN EXPRESS HISTORY!**

Free 1953 Portfolio Offers the Finest Program of Sales Aids Ever...

Proven Successful in thousands of Banks!

Now is the time for your bank to plan for the great summer travel months ahead. And the first step is to order the powerful promotion package offered by American Express Travelers Cheques. *It's thoroughly bank-tested!*

Similar material used for the last two years resulted in "success stories" for bank

after bank across the nation. And on the basis of their reports, every item offered this year has been tailored to do an even finer job of winning new friends for your bank. It's bigger than ever in 1953! The complete program—available at no cost to you—is ready to go to work now. *So order your sales aids today!*



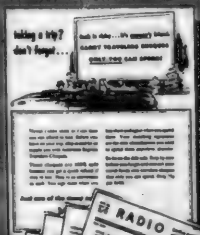
AMERICAN EXPRESS TRAVELERS CHEQUES

Bigger than ever—



*In acceptance!
sales!
service!
promotion!*

This promotion kit was mailed to banks during February and March. If yours hasn't come to your personal attention, please write to Olaf Ravndal, Vice President & Treasurer, American Express Company, 65 Broadway, New York 6, N. Y.



NEW 1953 AMERICAN EXPRESS PORTFOLIO OFFERS THESE TESTED SALES BUILDERS!

- MORE statement enclosures!
- MORE point-of-sale displays!
- MORE newspaper mats for local advertising!
- NEW! Recorded radio commercials and scripts!
- NEW! Television commercial on film!

Most of this material is good for year-round use. But the summer vacation season is coming up fast! To insure receipt of imprinted statement enclosures for May 31st mailing—and other material for June and July use—order the quantities you need now!

Safety plus Service no other cheques can offer!

National Home Owners are **Proud** of Their Property!



Another Reason Why Mortgages on National Homes are Sound Long-Term Investments

Thousands of families take pride in owning smart, quality-built National homes. Their feeling is reflected in careful upkeep . . . well planted yards . . . countless owner-added improvements. This pride of possession is a "plus" that increases the stability and worth of National home mortgages.

**Inquiries Are Invited From Financial
Institutions Seeking Steady Sources
of Supply for Residential Loans.**



National Homes' pre-fabricated panels and structural parts as they leave the assembly plant carry the Good Housekeeping guarantee seal and the Parents' Magazine seal of commendation as advertised therein.



Nation's Largest Producers of Quality Homes



(CONTINUED FROM PAGE 6)

tearing down big men.

"You cannot help the poor by destroying the rich.

"You cannot lift the wage-earner by pulling down the wage-payer.

"You cannot keep out of trouble by spending more than your income."

Mr. LANDON says the clipping was cut many years ago from a local bank advertisement in a West Orange newspaper.

"I have had it near our telephone ever since," he continues, "and countless young people have studied and benefited from it. I have often wondered why banks do not use this picture and these few sentences more frequently in their advertising, or why they do not print it on backs of envelopes, statements—in fact, anywhere it would be seen and seen and seen.

"Our young people have so few reminders of this sort. All the stress is on spending, and every advertisement urges them to buy this and that gadget. Could not you use this some way?"

Skin He'd Love to Touch

UNITED PRESS dispatch from Los Angeles:

"A skin specialist has reported a medical case, perhaps the most pitiful imaginable, in which a man suddenly developed an allergy to paper money.

"Dr. Paul D. Foster told the Col-



"I hope you won't report me! Some days I park at the A. & P. while I do my banking!"

lege of Medical Evangelists' post-graduate convention that this allergy sufferer broke out in a rash whenever he handled money, and was advised to leave it alone.

"Dr. Foster also said wives can be allergic to their husbands, or vice versa, and it is even possible that you can become allergic to yourself."

Circus in a Bank

PAINT, paper and considerable ingenuity have enabled The Franklin Savings Bank of New York to brighten, for customers and employees, the prosaic task of installing an air conditioning system in the 93-year-old institution at Eighth Avenue and 42nd Street.

The bank has transformed its

"Maybe we can find a bank that doesn't charge so much for those overdrawn notices"



STAMATY



We've moved to Miami

We outgrew our Chicago plant — we were literally

"bursting at the seams."

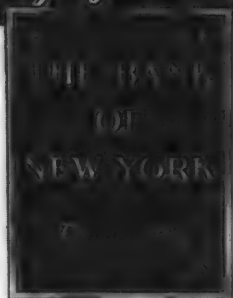
So to meet the ever-increasing demand for our Poster Service, we've built the only plant in America designed exclusively for the production of window and lobby displays for Financial Institutions.

We'll be grateful for an opportunity to demonstrate our ability to serve you—even better than at any time during our history of more than a quarter century. May we send you a few samples...without obligation, of course.

FINANCIAL DISPLAYS

296 N. E. 67th St. - Miami 38, Florida

BANK SIGNS *in dignified bronze*



Picture the name of your bank in enduring bronze and aluminum . . . the names of your personnel in handsome desk plates of the same dignified metal.

Let us show you how we can give you the very finest signs, desk plates and bulletin boards to suit your every need . . . at most economical prices.

Send for free illustrated catalog



DESK NAMEPLATES

2"x10" one line of copy \$7.50
2 1/2"x10" two lines of copy \$9.00
on bronze easel—other styles available

"Bronze Tablet Headquarters"

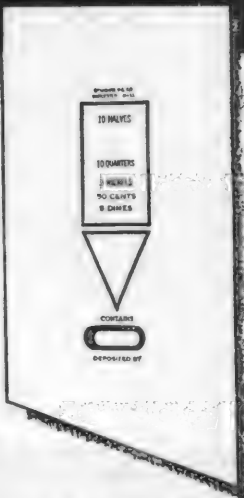
UNITED STATES BRONZE SIGN CO., Inc.
570 Broadway Dept. B New York 12, N. Y.

STANDARD

Wherever money is wrapped!

Window COIN WRAPS

Precision
Made
Clearer
Printing
Stronger



A Complete Line of Money Wrappers

Cartridge Containers Currency Straps
Tubular Coin Wraps ABA Style Straps
Window Coin Wraps Auto-wrap Bill Bands

Send for Free Samples



STANDARD PAPER GOODS MFG. CO.
WORCESTER 8, MASS

lobby into a reasonable facsimile of the circus. Cardboard clowns and animals dangle from the scaffold, the supports of which are draped with colored stripes. At the tellers' windows are posters picturing sundry members of a menagerie. Each has a message.

"Have your passbook balanced at least once a year!" advises the trained seal. And the kangaroo announces: "I'm no greenhorn—I always carry travelers checks, too." A giraffe admonishes: "Don't stick your neck out—buy savings bank life insurance." A contented tiger's message is "Of course I'm happy—I always bank by mail—no 'lions!'" and the hippo's, "Savings bank life insurance is a big buy, but low-cost, too!"

Near the entrance is an oilcloth sign assuring customers that although this is "no circus," they can "save in comfort and ease when the men are all finished on the flying trapeze." Even the painters' cloths contribute to the illusion—they simulate, so far as possible, a tent.

The staff did the work after banking hours.

Said STUART LYMAN, president of the Franklin: "We're going to have to live through this alteration and it won't be too pleasant for the depositors or those of us who work here.



"We didn't want to spend too much for decorating, so we figured that with modern art, who can tell the difference?"

"Let's get as many laughs as possible."

And that's what everybody doing.
J. L. C.

The man who says, when he gets married, that he'll be the boss or know why learns why.

Talk about hardy pioneers in covered wagons! We would like to see them go 4,000 miles by car on a two-week vacation.

One way to get a response from Mars might be to signal them that we have money to lend.

During vacations people travel 2,000 miles to get a snapshot of themselves standing by the car.

The Franklin Savings Bank's circus lobby





Christmas Club

A Corporation

**LIGHTS THE WAY
TO A
MERRY CHRISTMAS
THROUGHOUT
THE WHOLE YEAR**

There is power in teamwork

The business of Christmas Club, A Corporation does more than supply the mechanical needs to operate an efficient Christmas Club.

The entire staff of Christmas Club, A Corporation works twelve months of the year, as a powerful team, coordinating, promoting and selling the value of public participation in the most efficient system of banking in the world.

The emblem of Christmas Club, A Corporation identifies an organization that builds savings, builds character, and builds business for financial institutions.

With the cooperative and coordinated teamwork of Christmas Club, A Corporation, financial institutions and the public, a dynamic force is set into motion that generates the power to produce sound economic financial practices that lead to individual financial security.

Christmas Club, A Corporation invites you to join the team and offers you the advantages of a national operation that is geared to your local level.



Christmas Club
A Corporation

FOUNDED BY HERBERT F. RAWLL

230 PARK AVENUE, NEW YORK 17, N.Y.

BUILDS SAVINGS • BUILDS CHARACTER • BUILDS BUSINESS FOR FINANCIAL INSTITUTIONS

A Sound Basis for the Debt

THE need for a sound distribution of the public debt through the sale of United States Savings Bonds was emphasized by W. Harold Brenton, president of the American Bankers Association, and W. Randolph Burgess, Deputy to the Secretary of the Treasury, in letters distributed to the A.B.A. membership by the Association's Treasury Savings Bond Committee.

Mr. Brenton's letter, addressed to the members, said in part:

As you know, Savings Bond matur-

ities will be heavy over the next several years. An energetic effort will be needed to sell new E and H Bonds to offset redemptions.

As the Administration and Congress progressively establish a background of sound governmental fiscal and monetary policies, bankers will have a greater opportunity to do an effective job in convincing the public of the advantages of owning U. S. Savings Bonds.

This confronts bankers with a challenge. They can demonstrate their statesmanship by bringing their full

weight to bear in support of the Administration's efforts to get the debt on a sound basis and protect the purchasing power of the dollar.

Bank participation in the Savings Bond Program will mean extra work for you and your staff. But bankers cannot afford to neglect so great a public responsibility. It is a "must" for banking.

Mr. Burgess' letter, addressed to Mr. Brenton, noted that the Administration "is strongly committed to a policy of careful scrutiny of all Government spending, with a view to balancing the Federal budget and reducing taxes."

The Part Bankers Should Take in Promoting the Savings Bond Program

LISTED below are various suggestions used successfully by many banks in promoting the sale of Savings Bonds.

Your Board of Directors: Because of their wide influence and intimate contacts with many businesses, board members should be well informed about the far-reaching effects of regular bond purchases. Such purchases usually result in a new sense of responsibility for personal finances as well as those of the Government.

Your Directors and Officers Should:

Be prepared to discuss intelligently the provisions and features of all Savings Bonds.

Acquaint all bank employees with provisions and features of the bonds and the reasons why the Savings Bond Program is important to the bank, to the community and to the nation.

Encourage bank employees to participate in the bank's Payroll Savings Plan.

Review monthly the bank's sales of Savings Bonds.

Promote the Payroll Savings Plan among local businessmen and co-operate in issuing bonds.

Recommend Savings Bonds whenever their purchase fills the need of those seeking investment advice.

Advertise Savings Bonds whenever possible in newspapers, lobby and window displays, direct mail, statement enclosures, etc.

Take advantage of every opportunity to make talks and discuss the bond program before community groups, particularly during campaigns.

Designate a qualified bank staff member to assume responsibility of instilling renewed interest in the program among other staff members, particularly those who deal with the public.

Your Bank Employees Should:

In their daily contacts with customers and friends, recommend Savings Bonds whenever the occasion occurs.

Promote the Bond-a-Month Plan, particularly among professional and self-employed customers.

Tell story in "house organs" of any unusual accomplishment through regular purchase of Savings Bonds.

Be patient and courteous to customers who do not readily understand the requirements which must be met by the bank in Savings Bonds transactions.

TREASURY SAVINGS BONDS COMMITTEE
AMERICAN BANKERS ASSOCIATION

The Treasury [he said] is also re-appraising the policies with respect to management of the public debt, in accordance with President Eisenhower's stated objectives in this connection.

Bankers, of course, have a vital stake in the success of this program, which so directly affects the economic well-being of the community and the nation. One feature of sound public debt management is an expanded, vigorous and aggressive Savings Bond Program as a means of keeping a substantial portion of the public debt widely distributed among millions of American citizens.

Moreover, as we all know, the purchasers of these bonds are acquiring thrift habits which are not only beneficial to themselves but which provide a national reservoir of savings in the form of reserve purchasing power to safeguard our economy. It is significant, too, I think, that the purchasers of these bonds become shareholders in their country and thus have a greater interest in sound Government fiscal policies.

We in the Treasury are well aware of the generous support that bankers have extended in recent years to the Savings Bond Program. We hope in the trying months ahead we can count on the banks to renew and expand their efforts to help in this important task of selling more and more Savings Bonds to people of all income levels.

The Brenton and Burgess letters were included in a four-page folder in which promotional ideas used successfully by many banks were suggested. They are listed in the panel on this page.

in terms of farm products

ALLIS-CHALMERS MACHINERY IS PRICED LOWER THAN IN 1939

This is how the price of Allis-Chalmers power equipment compares with the price of things farmers have to sell — grain, cotton, milk and livestock.

Measured in this way, a WD Tractor and 3-bottom mounted plow, with hydraulic lift, is priced lower today than a WC Tractor and 2-bottom pull-type plow in 1939. Still lower in terms of farm products is today's 2-bottom outfit — the CA Tractor with 2-bottom mounted plow.

In addition, today's tractors have many *new* features for added work power. On both WD and CA Tractors standard equipment includes: Two-Clutch Control, and Power Take-off, Power Shift Wheels, Traction Booster, Complete Hydraulic System, Free-Swing System of hitching implements. None of these labor and time saving improvements were available in 1939.

Today, the right kind of *new* machinery continues to be a sound investment. It equips a farmer to earn more . . . at a price he can afford to pay.



Charts are based on average prices during the first week of March, 1953 and 1939, using USDA reported averages.



Model WC Tractor and 2-bottom plow.



Model WD Tractor and 3-bottom plow.



Model CA Tractor and 2-bottom plow.



Your Press Relations

On this page each month members of the working press talk over a practical question on bank press relations. Send us YOUR question. We'll submit it to a couple of experts and publish their answers. Your name and the bank's will be withheld if you so desire.

QUESTION

When a reporter gets wind of a story the bank wants to keep confidential, at least for a while, what's the best procedure?

PHILIP HAMPSON, financial editor, *Chicago Tribune*.

THIS is an interesting although extremely general question, and difficult to answer in a few words. Obviously the reporter who runs across information a banker desires to keep confidential is looking for a story—and that's his business. It's asking quite a bit for a banker to request a reporter to overlook news or even to delay publishing it.

However, most reporters are persons of good judgment. If the disclosure might cause financial loss to a community or individual without serving any useful purpose, a reporter more than likely would accept a request to "sit on it for a while." If the story involved criminal action—say an embezzlement—he would be less likely to delay. But even in such a case his action would be governed by circumstances. The nature of the story will govern the reporter's procedure.

The question well illustrates the value to bankers of establishing good relations with reporters. It is much easier to explain the reasons for withholding a story to a reporter one knows than to one who is a stranger. Then, too, financial reporters have a much better under-

standing of bank problems than do general news reporters. Often they can be asked for advice on how to handle a story. Generally speaking, straight banking news is handled by financial reporters and news involving criminal events is handled by general newsmen.

One thing is certain—in the long run it will pay a banker to be frank. He can do two things: (1) He can lay his cards on the table and explain his reasons for asking that a story be held up for the time. As previously stated, a reporter of good judgment will act accordingly. (2) The banker can avoid discussing the story with a reporter by being "out." Probably a better course would be for the banker to state frankly and politely, "I have nothing to say." The reporter will understand. However, this should be done good naturedly and politely. Nothing will induce a reporter to go after the story more vigorously than a display of rudeness.

If a news item is not of great consequence, except that it will cause a banker embarrassment, most financial writers probably could be induced to withhold its publication until a time convenient for the banker. Say the bank plans to issue some stock and publication of the plan would be embarrassing. More than likely the reporter would agree to wait.

This is very important to a bank's future press relations. If the banker who has induced one reporter to hold up a story should be asked about it by a reporter from another paper he should at once notify the first reporter. No newsmen will knowingly permit himself to be scooped except under the most unusual circumstances. He will resent

acutely the instrument of his being "beaten."

If there is a quick answer to our question it is simply this: Use everyday common sense in handling the story. You will find the reporter a person with a more than ordinary store of common sense himself.

JOHN S. PIPER, financial editor, *San Francisco News*.

IT depends on what kind of a story the bank wants to keep confidential. Is it favorable or unfavorable to the bank? If it is favorable news that the bank has been building up in the hope of getting wide publicity in all the papers at the proper time, the best procedure would probably be to release it at once.

Tell the reporter: "Yep, Jim, you've got the right dope. Go ahead and use it. We had hoped to release the story to everybody next Monday. However, since this is big news for us, and because the cat is out of the bag, I hope you won't mind if we notify the other papers and release it at once. You already have a head start. We'll give you another half hour, if you wish, and maybe you'll be one edition ahead of your competitors."

(CONTINUED ON PAGE 18)

Philip Hampson

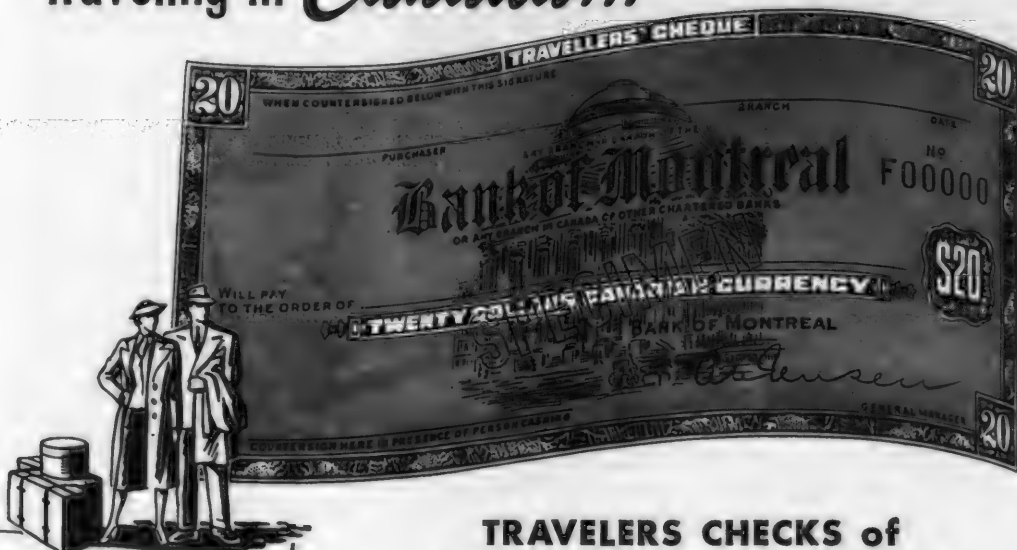


John S. Piper



AMERICAN BANKERS!

Offer this Special Service to Your Customers
Traveling in *Canada...*



Build profit and goodwill by providing this safe, inexpensive and convenient form of travel funds for your customers—payable at par at chartered banks everywhere in Canada.

TRAVELERS CHECKS of *Canada's First Bank*

Bank of Montreal Canadian dollar Travelers Checks—backed by a record of complete safety and unexcelled service over 135 years—provide a travel-fund instrument payable in Canadian dollars that is unsurpassed for Americans visiting north of the border on business or pleasure.

The rate of exchange is definitely established for your customer at the time of purchase—and Excise tax no longer applies. You will enhance his good-will and increase your profits by selling him Bank of Montreal Travelers Checks.

To arrange for the sale of these checks by your bank is simple . . . Address your request for particulars—by letter or telegram—to: Superintendent, Foreign Department, Bank of Montreal, Place d'Armes, Montreal, Que., or any of our U. S. offices mentioned below.

BANK OF MONTREAL

Canada's First Bank Coast-to-Coast

In Canada since 1817 • In U. S. since 1859

NEW YORK . . . 64 Wall Street • SAN FRANCISCO . . . 333 California Street

CHICAGO: Special Representative's Office, 38 South Dearborn Street

Head Office: Montreal

575 BRANCHES ACROSS CANADA • RESOURCES EXCEED \$2 BILLION



LET A
FREE
DEMONSTRATION
PROVE...



RCA Modernphone speeds internal communications these 3 important ways

Here, at last, is real speed in internal communications—the RCA Modernphone. It's easier to use than your telephone—faster in nearly all applications than any other system. AND RCA Modernphone adds efficiency to speed, because it cuts the errors that slow up administrative routines.

Here's how:

1. No more half-messages—Modernphone has no complicated switching which often cuts the speaker in half-way through a message—cuts him out before he's finished. With Modernphone, the channel is open both ways. You hold a normal telephone conversation with a standard telephone-type handset.

2. No more errors due to half-attention—When you speak to a key man on Modernphone, he gives you his full attention. Contact is more personal—message seems more compelling—Modernphone asks for attention—and gets it.

3. No more half-clear messages—You can understand when you hear it over Modernphone. It's the quality of sound you're used to, after years of using your telephone. Modernphone doesn't broadcast your remarks. You'll appreciate Modernphone. It's

the method of doing business you know best.

Find your man in an instant

No directory, no numbers, no dialing, no delay. Just push a button, and you ring your man. Arrange your Modernphone system for three to 30—or more—stations. Give every key man the advantage of Modernphone speed.

Keep switchboard free for outside calls

Modernphone operates independently of switchboard, prevents overloading board with inside calls, lets you check with key personnel while you're talking on an outside wire.

Try it for speed in this free demonstration

Let the RCA Intercom Distributor show you how Modernphone works... right at your own desk. See if you don't think it's the fastest intercom system yet.

Because Modernphone is so simple, the demonstration can be set up in your office IN MINUTES. Modernphones operate on their own battery power or may be AC-operated.

TRY MODERNPHONE, and compare it with any other system for fast installation, fast administration.

Sound Products, Dept. 205Q, RCA, Camden, N. J.

- ☐ Please arrange a free demonstration of Modernphone in my office, without obligation on my part.
☐ Please send me information on Modernphone.

Name _____ Title _____
Company _____ Address _____
City _____ Zone _____ State _____



RADIO CORPORATION of AMERICA



(CONTINUED FROM PAGE 16)

The alternative approach (which I don't recommend because it seldom works and its use may create illwill for the bank with the reporter and his paper) is for the bank to concede that the story is true, tell the reporter that a general release is being prepared for next Monday, and ask him to wait until then. Too often the result is that the reporter agrees, then some other newspaperman gets wind of the story and prints it first.

When this happens, reporter No. 1 won't feel very friendly to you and to your bank. It's likely that his editors won't, either.

Now suppose the story is "unfavorable." In that event, the old maxim "Honesty is the best policy" applies. The bank spokesman should handle the situation something like this:

"Yes, Bill, that's right. We had hoped you newspaper boys would never hear about this. But since you have, here are the facts. . . . Ask me any questions and I'll answer them if I can.

"And Bill, if you can see your way clear to play the story down, we'll appreciate it. I wouldn't ask you to keep it out of your paper, but I do hope you won't be too rough on us."

So far as I know there is no good alternative way of handling an unfavorable story. If there is, the chances are it would boomerang and result finally in a much bigger mess than the outspoken truth.

Too often a banker placed in this position will berate the reporter, call the editor and demand that the story be suppressed. Maybe the editor is his friend, and agrees to suppress it. But people know about it, and the whispering and the gossip go on for a long time. Had the story been published, it would have been forgotten the next day.

When ground rules permit a golfer to improve his lie, he can either move his ball or change the story about his score.

A scientist says insects compete with man for the world's food supply. It's certainly true at picnics.

The straight and narrow path never crosses Easy Street.

30 MILLION DOLLARS WORTH OF SIDEWALK SUPERINTENDENTS

The good citizens of Wichita stopped to stare. Some passed on. Others stayed—opened new accounts. Enough so that deposits rose from \$131,000,000 to \$161,000,000! And all this new business activity during the period of modernization! Bank Building Corporation approaches these projects fully cognizant that the banker must stay in business and continue to operate profitably. During our forty years of financial designing and building we have developed techniques that assure you "business as usual"—even provide for exceptional growth.



*Write or call as usual.
We will furnish complete information.
And of course,—no obligation.*

4th National Bank
Wichita, Kansas



Bank Building Corporation

Headquarters: ST. LOUIS, 9TH & SIDNEY STS.
Offices in: NEW YORK, 103 PARK AVE. • ATLANTA, WESTERN UNION BLDG.
SAN FRANCISCO, MECH. INST. BLDG. • MIAMI, P. O. BOX 4691
Operating in Latin America as: EDIFICIOS PARA BANCOS, S.A. Headquarters: MEXICO D.F., MEXICO



At the Los Angeles branch of the new Bank of Tokyo of California, ancient and modern computation methods are available to depositors. Tatsuichi Shibata, vice-president and general manager, demonstrates the soroban, Japanese form of the abacus, while Lily Nakamura works an electric adding machine

This department is compiled by THEODORE FISCHER of BANKING'S staff.

Full Measure

ACCORDING to a recent Associated Press dispatch, the SYRACUSE (New York) SAVINGS BANK received two nickels through the mail, together with an anonymous letter of explanation: "To keep all the records correct, two extra nickels were found in a roll of nickels." Everett N. Hatch, vice-president, commented that "this must be the person for whom Diogenes was searching."

The Hamilton Welfare Association officers are, seated left to right: Richard A. Clark, treasurer; Mrs. Mildred House, secretary; H. J. Bird, president. Standing: Albert E. Farmer, vice-president; Raymond Austin, Millard W. Reynolds, and R. T. Russell, directors



The SECOND NATIONAL BANK of Houston, Texas, set up a first aid department in June of last year, and has compiled some 19-month figures. An average of 206 employees per month have used the facilities and "both management and employees agree that this is a very worthwhile addition to the bank."

E. DUTTON STOY has been appointed a vice-president of the First National Bank of Arlington, Virginia. He's a former national bank examiner with 21 years of service with the Office of the Comptroller of the Currency.

Strictly for Fun (See cut)

EMPLOYEES of the HAMILTON NATIONAL BANK of Chattanooga, Tennessee, have formed an organization for the sole purpose of providing recreational facilities for

themselves, their families, and their friends. This group, the Hamilton Welfare Association, Inc., was chartered December 28, 1952, under Tennessee laws.

The association has purchased 13.7 acres on an island in the main channel of Chickamauga Lake and the Tennessee River, and plans to build a clubhouse overlooking the lake which will accommodate 500 people.

It plans also a boat dock, baseball diamonds, tennis courts, volleyball courts, etc. Cabins for week-end and vacation outings will be constructed at some future date.

The island acreage is some 20 miles from Chattanooga.

ALFRED R. MARCKS, vice-president of The Dime Savings Bank of Brooklyn, has been elected to the board of trustees. He has been with the bank for 32 years.

Civic Spirit Surveyed

FIRST AMERICAN NATIONAL BANK, Nashville, Tennessee, made a survey of its executives and found out how much civic and public welfare activities draw upon the time of businessmen.

The survey, as reported in the *Nashville Tennessean*, showed that of FIRST AMERICAN'S 53 officers and branch managers, 23 are in positions of leadership in such activities. C. H. WETTERAU, vice-president, who conducted the survey, said that "we found that these civic and public welfare activities consumed an estimated 6,292 hours of the men's time during a year—equal to the time which three men would put in full-time on a 40-hour-week basis for a year." The total doesn't include other officers and branch managers who put in many hours at rank-and-file work without leader-

Main Street

ship designation, nor does it include religious or fraternal work.

Colonel III

WILLIAM MOELLER, vice-president of the First National Bank in St. Louis, in charge of bank relations in Illinois, Indiana, and Kentucky, has been appointed a member of the Honorable Order of Kentucky Colonels. Of the bank's officers who handle correspondent bank business, "COLONEL" MOELLER is the third to be so honored. Vice-president W. C. COLLINS is a colonel on the staff of the Governor of Texas, and Vice-president MACK A. ALDRICH was recently named a colonel on the staff of the Governor of Oklahoma.

The PLAINFIELD (New Jersey) TRUST COMPANY has just celebrated its 85th anniversary.

The New York University *Alumni Bulletin* notes that employees of 1,618 companies in the New York area were among the evening students at the University's School of Commerce last year. The banking profession, with 60 banks listed, led in representation. Insurance was next with 41 firms.

Idea Worth Copying

A NEW ENGLAND bank ordered several gift subscriptions to *BANKING* and specified that the first issue of each should be sent direct to the bank, so an officer could make a personal presentation of the first copy.

LOUIS HELLERMAN was advanced to vice-president and administrative officer, and LEO SCHNEIDER became a vice-president at the 38th Street office of Chemical Bank & Trust Company, New York.

RUSSELL G. SMITH, GEORGE CURRAN, and GEORGE DE VAJDA, officials in the international department of Bank of America, San Francisco, are off on globe-girdling tours to stimulate and improve foreign trade facilities for California businesses. They are visiting correspondent banks, government officials of foreign powers, and the bank's overseas branches.

Broken Treasure

THE old Philadelphia Clearing House building is the site of a new drive-in bank and office building of the FIRST NATIONAL BANK of Philadelphia, now under construction. Two construction men, working in the basement, sunk suddenly a depth of 12 inches into what proved to be a 12-foot well. The

H. L. Dunham, executive vice-president of Valley National Bank, Phoenix, right, receives from Arizona Governor Howard Pyle a special community service medallion as a token of esteem for 19 years of "continuous, unselfish, and distinguished service" to his community. The medallion was authorized by the Community Chests and Councils of America, and is given but once a year in any city. This is the first such medal to be given in Phoenix

well was excavated and found to contain hundreds of pounds of broken crockery and glass, a testimony in fragments of how Philadelphians furnished their tables in the Colonial and Revolutionary period. The broken tableware is believed to have been thrown into the well by careless maids, to cover up their clumsiness. The site of the well is, according to the bank, "only a plate's throw from

Top management of Bankers Trust Company, New York, on the occasion of the bank's 50th anniversary. Left to right: S. Sloan Colt, president; Alex H. Ardrey, executive vice-president; B. A. Tompkins and Francis S. Baer, senior vice-presidents (all are directors). The bank has published a history of the institution tracing its progress through its first 50 years to its current rank of eighth largest commercial bank in the United States, with total resources in excess of \$2-billion, and with 17 offices in Greater New York and one in London. Still active in its management, as a board member, is Daniel E. Pomeroy, who has served continuously as officer or director since five days before the bank opened for business March 30, 1903



the property on which Benjamin Franklin's home is said to have stood."

The well yielded fragments of Delft and Whieldon tortoise shell pottery, both from England and dated about 1750. There were teapot spouts of Wedgwood and Redware, Irish glass, small medicine bottles. Many of the fragments are of China which at the period before it was produced here usually came from the Orient, shipped as ballast in sailing bottoms.

SAMUEL W. DIXON, who supervises the automobile loan department of The Bank of Asheville, North Carolina, has been promoted to assistant vice-president.

The UNITED STATES TRUST COMPANY of New York has observed its 100th birthday. The company has operated for a full century "with no change of name, without merger, and without modification of its original purpose of specialization in the fiduciary field."

The CANAL NATIONAL BANK of Portland held an open house at its completely modernized Yarmouth (Maine) office. A feature is a customers' parking area.

URBAIN C. LE GOST, vice-president of Dollar Savings Bank, New York, left by air on April 7 as one of a nationwide group to study conditions in the Middle East. The trip is sponsored by the Worldways Group and Study Tours, and Mr. LE GOST was the first banker to

T. J. O'Brien



T. J. O'Brien
THOMAS J. O'BRIEN, vice-president and general manager of the correspondent bank division of Second National Bank, Houston, Texas, died on April 6 at the age of 47. Mr. O'Brien was a member of the Executive Council of the American Bankers Association, was a past chairman of the A.B.A.'s Organization Committee, and a past president of Houston Chapter, American Institute of Banking.

Not only was Mr. O'Brien well known in state and national banking circles, but he was active as well in civic affairs. He had been with Second National since 1927.



This mural, 12 x 60 feet, was painted on a temporary wall in the lobby of the First National Bank in St. Louis, to help customers "grin and bear" remodeling inconveniences. A columnist described it as "St. Louis' largest comic strip." It is painted in five colors and features a 6-foot blow-up of the building as it will look on completion

have been selected for one of these tours.

The UNION SAVINGS BANK of Patchogue, New York, has completed its expansion and modernization program and has held an open house to celebrate. A feature of the celebration was a one-hour radio program during which there were interviews with folks who had maintained accounts with the bank for 50 years or more. A feature of the modernization is the lobby mural, painted by a local artist, depicting a local water scene of the early 1900s. The bank now has much more space and enlarged vault facilities.

CHARLES J. KIPP, assistant vice-president and manager of the Flatbush office of Lincoln Savings Bank, Brooklyn, has been promoted to Lieutenant Colonel in the Army Reserve. He is currently assigned to the 77th Infantry Division, a Reserve unit.

HAROLD SIMONSEN has joined the Union Bank and Trust Company of Bethlehem, Pennsylvania, as comptroller. He began his business career with the Hanover Bank in New York, was later with the Federal Reserve Bank of New York and has for four years been an examiner of that bank.

"Lead Soldiers"

CHARLES A. SWEET, JR., vice-president of the North Side Bank & Trust Company of Bristol, Connecticut, is the second banker to come to our notice who is a collector of military miniatures. MARCH BANKING told of RICHARD T. BRADY, of the Equitable Trust Company, Baltimore, who molds and colors his own "lead soldiers." MR. SWEET foregoes the casting of the figures, but he does paint all varieties of military miniatures, and through the story in these columns has entered into a correspondence with MR. BRADY.

A collection of MR. SWEET's miniatures was on display at the public library in Bristol during March. He has been collecting and painting the figures for the past 20 years. Painstaking historical research goes into this hobby, as the figures are painted in military costume which is accurate in every detail.

MR. SWEET's wife has also done some collecting of her own and has assembled figures of the English Coronation, and a rare set of Henry VIII and his six wives.

The American National Bank of Portsmouth, Virginia, has just promoted three employees who are all past presidents of Norfolk-Portsmouth Chapter, A.I.B. They are: MAURICE GOMPF, cashier; RICHARD

(CONTINUED ON PAGE 24)

YOU CAN'T PAY A DIVIDEND WITHOUT A MARKET

Dividend notices make good reading. They reflect profitable operation in which good management, plants and equipment play an important part. But, before you can make a profit, someone has to buy the product. And, in order to sell the product, it must have a market.

Men can be hired, factories and equipment can be bought, but *markets must be built*. A company's recognition . . . the preference for its products . . . is the result of a consistent, coordinated sales and advertising program. And, while it may be hidden in a financial statement, product recognition is a mighty important asset when you're dealing with the men who specify, buy and use the product.

Intelligently planned Business Magazine Advertising not only builds product recognition, it cuts the time factor in selling, thus reducing

sales costs. And dollars saved on selling costs contribute just as much to the profit picture as those saved on production.

If you have a financial interest or responsibility in an industrial company, check to see whether the management is using adequate Business Publication Advertising to build and protect its markets.

* * *

Would you like a copy of "Joe Phares Built a Machine"? In this entertaining story with a moral, a banker gives some sound advice. We have a feeling that after you've read it, you may want some copies for your friends. For your free copy, address your request to Company Promotion Department.



McGRAW-HILL PUBLISHING COMPANY, Inc.



330 WEST 42nd STREET, NEW YORK 36, N. Y.



HEADQUARTERS FOR BUSINESS INFORMATION

May 1953

23

"Nothing has happened to us, therefore, nothing can happen to us"

In the last 10 or 12 years, there have been relatively few insolvencies. Bad debt losses have been unusually low. This has resulted in a dangerous reaction. An alarming degree of complacency is building up in the minds of many executives.

Secondary credit costs are frequently more damaging than bad debts

A NEW BOOK, just off the press, demonstrates how AMERICAN CREDIT INSURANCE can serve a business even though it never has had debt losses. It tells why Credit Insurance is an integral part of sound business management—how Credit Insurance is a stabilizing means for establishing sound credit policy—how Credit Insurance helps avoid secondary credit costs.

Many banks are recommending AMERICAN CREDIT INSURANCE before approving Commercial loans. There is no charge to include banks as a named assured.

We'd like to mail you a copy of this book. Please phone our office in your city or write American Credit Indemnity Company of New York, First National Bank Building, Baltimore 2, Maryland. Just say, "Send me book offered in *Banking*."



Credit Insurance is a Credit Tool . . . it is NEVER a substitute for a Credit Department.

Protect your CAPITAL . . . Insure your RECEIVABLES

American Credit Insurance



MAIN STREET (Continued)

B. AMES, vice-president; MADELINE E. GIBSON, assistant cashier. MRS. GIBSON was a member of the national publicity committee of the A.I.B. for 1951-52. A fourth promotion by the bank was that of ANNIE W. CROSS to assistant cashier.

WILLIS E. DUFF, assistant cashier of Mellon National Bank and Trust Company, Pittsburgh, retired April 1 after completing 50 years of continuous service with the Farmers Bank office.

JOHN S. WALDEN, JR., first vice-president of the Federal Reserve Bank of Richmond, retires as of May 1 after more than 34 years with the bank. HARLAN J. CHALFONT, vice-president of the Federal Reserve Bank of Chicago, Detroit Branch, retires April 30 after 35 years' service.

MUGWUMPS Elect

THE MUGWUMPS, an association of bankers on the "near Northwest" side of Chicago, has elected these officers: *president*, Harry F. Favis, president, National Security Bank of Chicago; *vice-president*, Kenneth K. DuVall, chairman and president, Merchandise National Bank of Chicago; *treasurer*, W. O. Schultz, first vice-president and cashier, Mid-City National Bank of Chicago; *secretary*, Margaret Hadley, secretary, Chicago District, Illinois Bankers Association.

The Ambridge (Pennsylvania) National Bank has become the Ambridge office of MELLON NATIONAL BANK AND TRUST COMPANY, Pittsburgh.

HOBART W. FAULKNER, cashier of the Valley National Bank, Phoenix, has resigned; JAMES A. DISMUKE has been named vice-president and cashier.

J. A. Dismuke

H. W. Faulkner





Barness Kydd



R. H. Thomson

RALPH H. THOMSON has been named comptroller of National City Bank of New York, succeeding BARNES KYDD, who retires.

FIRST STATE BANK of Norton, Kansas, has opened an auto-teller window. "You're in the driver's seat when you bank here," it announced.

AMERICAN SECURITY & TRUST COMPANY, Washington, D. C., has announced that its sixth annual international orchid show, sponsored jointly by the bank and the National Capital Orchid Society, is scheduled for October 23-25 at its main office. Past shows have been attended by the Presidential family, Cabinet officers and many Government officials.

PAUL J. FINKE has been named vice-president and treasurer of the St. James Savings Bank of Baltimore City, Baltimore, Maryland. Two new assistant treasurers are EUGENE T. GARDINER, Jr., and LORRAINE M. KROPFELDER.

ARTHUR D. MOFFETT is now vice-president of The Marine Trust Company of Western New York, Buffalo.

The head office of ANGLO CALIFORNIA NATIONAL BANK, San Francisco, arranged a display of California cotton and its products on its main banking floor. California is now the nation's second largest cotton-producing state and seven of Anglo Bank's offices are located in the cotton belt. The exhibit was planned as a salute to the convention of the Western Cotton Shippers Association held in San Francisco on April 9 and 10.

These promotions are announced by the First National Bank and Trust Company, Paterson, New Jersey: Vice-presidents, F. NORMAN LILLIG and EDWARD F. SHERIDAN; assistant vice-presidents, CHRIS J. (CONTINUED ON PAGE 29)

May 1953

LeFebure COMPLETE POSTING UNIT

speeds paper handling!
saves space!



Save 5 to 15 minutes every hour during machine posting

Installations prove it! LeFebure Tray-Binders, Posting Stands and Bookkeeping Machine desk provide an orderly arrangement — more room at less cost. Everything at hand... uninterrupted work. Space saved — time saved. Let our trained representatives help YOU—

52 Stock Sizes



MAGIC KEY
ADJUSTO
TRAY-BINDER

EXCLUSIVE! Compressor plates made to fit sheet size at no extra charge!

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CEDAR RAPIDS, IOWA

The World's Most Complete Line of Posting Trays, Tray-Binders and Stands



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Call on us in New York to expedite your Puerto Rico Market or credit requests... your letter of credit or collection transactions.

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153 East 116th St.—Phone: ENright 9-3425

IN PUERTO RICO
Ponce, San Juan, Mayaguez, Arecibo, Guayama, Cayey, Utuado, Santurce, Caguas, Cabo Rojo, Arroyo, Aibonito, Aguirre

Banco de Ponce

PONCE, PUERTO RICO
YOUR LINK WITH PUERTO RICO
Member Federal Deposit Insurance Corporation



These 8 Burroughs

complete most microfilming equ



8-mm Photography on 16-mm film

High reduction ratio (37-1)

Two film types on one camera

Fast automatic or hand feeding

Maximum document width

Choice of three film patterns

Automatic safety shutter

Special time- and error-saving controls

TWO IMPORTANT NAMES IN MICROFILMING

Bell & Howell
MANUFACTURER

Burroughs
DISTRIBUTOR

**HIGH-SPEED BELL & HOWELL
RECORDER**—Offers many cost-cutting
features that make obsolete most
microfilming equipment now in use.

BEGIN

You do
buy it
time, fil
In film
as much
uses 8-
reducti
numbe
This p
Burrou
speed

Microfilming advantages equipment now in use!

HERE'S MICROFILMING AT ITS MODERN BEST!

BEGIN *NOW* TO ENJOY MAXIMUM SAVINGS ON EVERY JOB—EVERY DAY!

You don't *rent* modern Burroughs Microfilming. You buy it outright and watch the savings it provides in time, film and manpower quickly pay for the equipment.

In film costs alone, Burroughs Microfilming can save as much as 80% over outmoded equipment, because it uses 8-mm photography on 16-mm film and a high reduction ratio (37-1)—to more than double the number of images on every foot of film.

This precision-built Bell & Howell Recorder—sold by Burroughs—sets new standards in economical, high-speed operation and long-life dependability. It slashes

operating expenses and time on the job because it does the work easier and faster than ever before!

Delivery is immediate! Highly skilled service, available from more than 600 Burroughs Service Centers, is no farther away than your telephone. Twenty-five conveniently located Processing Stations assure immediate developing of your film—with maximum image brilliance and clarity.

That's the meat of the Burroughs Microfilming story. Call your nearby Burroughs office for the full details. Burroughs Adding Machine Co., Detroit 32, Michigan.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



Speeds Handling of Merchant Charge Plan Media

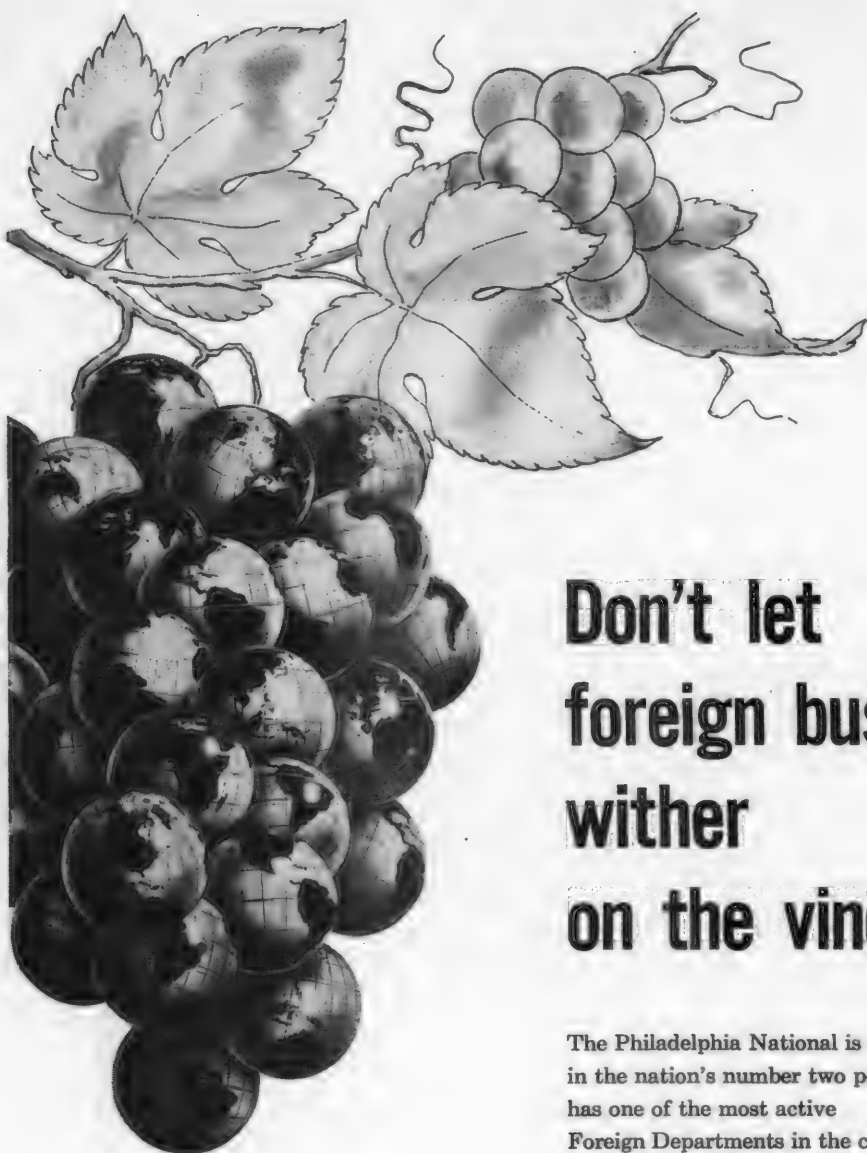
New Acro-Feeder

Sensational new Acro-Feeder gives fast, automatic feeding of intermixed documents such as sales tickets and customer statements, as well as of checks, with maximum accuracy. Cameras are interchangeable—save time with one camera for each job.

Microfilm Reader

The microfilm reader projects individual filmed records to actual size or larger. Locating and viewing of records—by customers and bank personnel—is quick and easy. Facsimile copies are readily made.





Don't let foreign business wither on the vine

The Philadelphia National is the number one bank
in the nation's number two port
has one of the most active
Foreign Departments in the country.

If your customers can profit by doing business
—or *more business*—abroad, you'll profit by working
through The Philadelphia National at home.

THE PHILADELPHIA NATIONAL BANK

PHILADELPHIA 1, PA.

Member Federal Deposit Insurance Corporation

1803
150 YEARS OF
BANKING SERVICE
1953

MAIN STREET (Continued)

FOX, JOHN W. PROSS, and ROBERT W. SIEBERT, JR.

A new bank, the BANK OF PARK FOREST, has opened in the main shopping center of Park Forest, Illinois. Officers are: president, SAM BEBER; cashier and managing officer, LAWRENCE NORTHRUP; vice-president, CARL PETERSON. The officers are being assisted in the early phases of operation by an advisory committee of two officers of LaSalle National Bank, Chicago: HAROLD MEDELL, executive vice-president, and ELLIOTT FRANK, vice-president.

DR. DONALD L. HELFFERICH, executive vice-president of the Upper Darby (Pennsylvania) National Bank, and vice-president of Ursinus College, was appointed to the board of directors of the National Council of Churches of Christ in America. The appointment was made by the general council of the Evangelical and Reformed Church, and Dr. Helfferich is the first layman from his denomination to be appointed to the national board.

The SECOND NATIONAL BANK of Cooperstown, New York, celebrated its 100th anniversary, the actual date being Easter Sunday. The bank ran a two-page newspaper ad to call attention to the anniversary and invite the public to a week-

Mark A. Brown (right), president of Harris Trust and Savings Bank, Chicago, examines some of the more than 900 donations made to the Goodwill Industries of Chicago by the bank staff in observance of his 25th anniversary with the bank. Richard G. Boyd, executive director of Goodwill, assists. Mr. Brown is chairman of the Goodwill finance committee



Will Seitz



J. de Callies

long open house. The bank carries on its letterhead a reproduction of its first advertisement. It proclaims: "This bank will pay interest on Savings Deposits on and after the first day of May 1853."

WILL SEITZ, who was national bank examiner in charge of the Spokane district for the last five years, has joined the First National Bank of Pullman, Washington, as a vice-president.

Exchange Bankers

JACQUES DE CALLIES, a teller at Union Dime Savings Bank, New York, is spending six months working in a Stockholm, Sweden, savings bank, and a member of the staff of the Stockholm Sparbank is to spend a similar period at Union Dime. The bank is the first New York savings bank to send a representative abroad on an exchange basis.

The plan was proposed by Olof Norbeck, president of Stockholm's Sparbank. He visited banks in this country several years ago and ever since has been an enthusiastic advocate of the sort of plan worked out with Union Dime.

ARTHUR M. SWANSON has advanced to cashier of the Charleston office of The First National Bank of South Carolina.

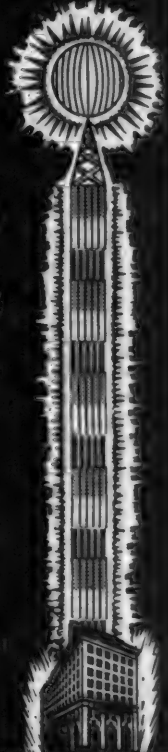
The Bank for Savings, New York, has announced these promotions: HAROLD D. RUTAN, senior executive vice-president; ALFRED S. MILLS, executive vice-president; DOLSON W. RAUSCHER and FELIX S. WASSMANN, vice-presidents; ALBERT A. H. BLISS and CHARLES F. CHAMBERLAIN, assistant vice-presidents.

The American Heritage Foundation's register and vote plan (BANKING, July 1952) has presented a first place award to the LA SALLE NATIONAL BANK, Chicago, because

Bankers Say---
"The Weather Tower directs
attention to our bank, day
and night"



United
WEATHER
TOWERS



BUILDS
GOOD-WILL
IN YOUR
COMMUNITY

EVERYONE
WATCHES IT

EVERYONE
WATCHES IT

PERFORMS
DAY AND NIGHT

Write for FREE
DESCRIPTIVE FOLDER

**MORE
THAN**

50,000

**SPECIAL CHECKING ACCOUNTS
WILL BE CONVERTED
THIS SEASON**

TO *ThriftiCheck*

Accounts!

WHY??

Ask...

BANKERS DEVELOPMENT CORPORATION

Sponsors of "*ThriftiCheck*"

100 PARK AVENUE, NEW YORK 17, N.Y.

LExington 2-2490

World's
leading underwriter
of honesty
insurance

FIDELITY, SURETY AND BANKERS
BLANKET BONDS; BURGLARY AND
OTHER NEEDED FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE



Stanley Ketcham



L. B. Palmer

the bank "was responsible for the most intensive and effective all-round effort by a bank."

STANLEY F. KETCHAM has been named resident vice-president of the New York office of the National Shawmut Bank of Boston. He has been identified with New York banking for many years and is a former vice-president of Chase National Bank.

LOUIS B. PALMER has been promoted to vice-president at Guaranty Trust Company, New York.

The Banca D'Italia office of the BROAD STREET TRUST COMPANY, Philadelphia, has moved into new and enlarged quarters after 50 years at its former location.

The FIRST NATIONAL BANK of Cincinnati has opened a customer parking lot at its Ninth and Main Streets office. City and safety officials praised the project and the mayor cut the ribbon officially opening the facility.

WILLIAM C. WHITNEY has been named assistant vice-president and comptroller of Texas Bank & Trust Company, Dallas.

JESSE E. BRIDGES has been named president of Union Trust Company, Shelby, North Carolina.

CHARLES B. BOLTON, real estate developer and national authority on dairy farming, has been named a trustee of the Society for Savings, Cleveland.

A. HARREL BLACKSHEAR has joined United States National Bank, Galveston, Texas, as an assistant vice-president. He spent three years with Chase National Bank, New York, and was later with the FBI and then with an accounting firm in Houston.

(CONTINUED ON PAGE 152)

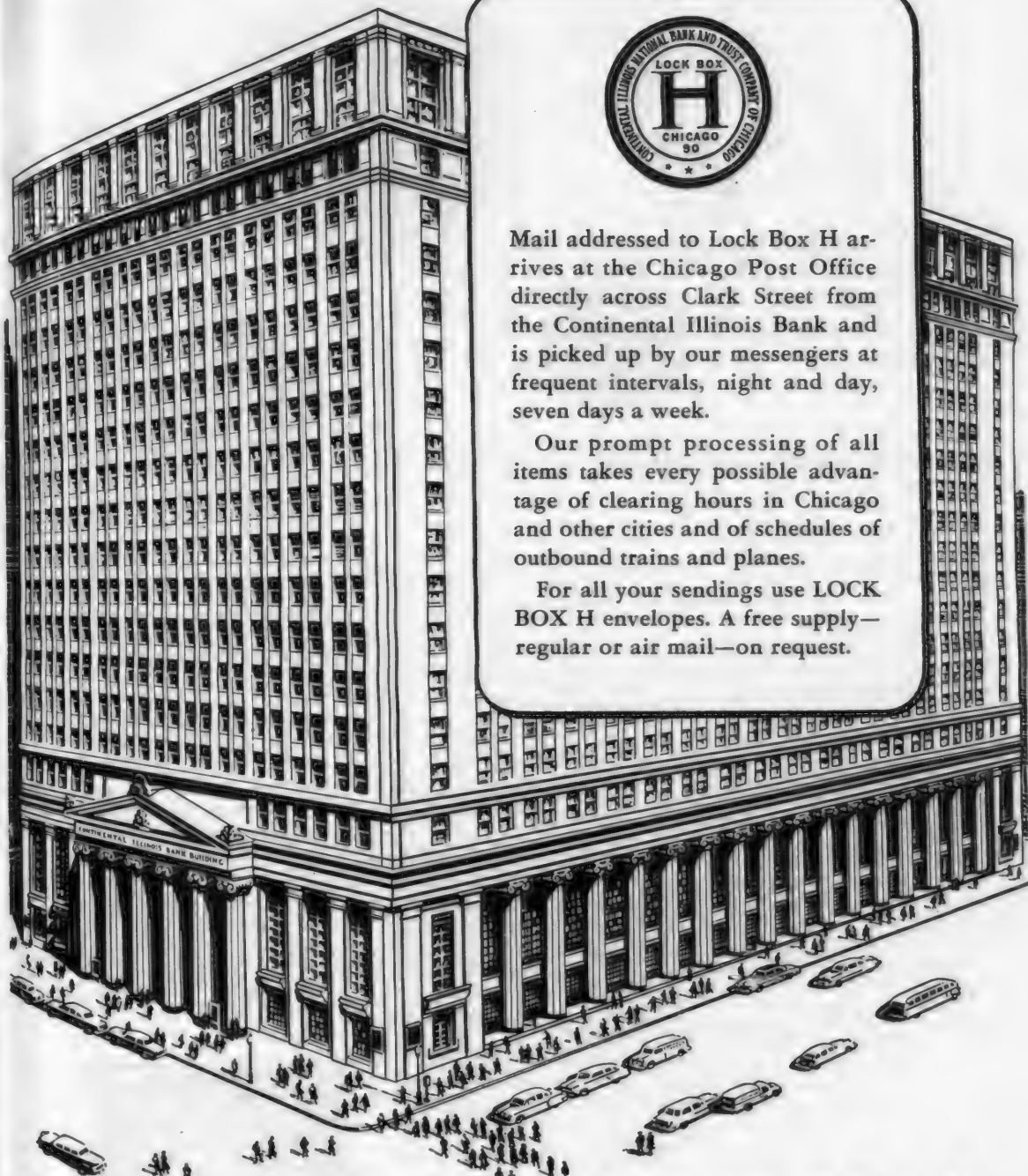
Night and Day-Seven Days a Week



Mail addressed to Lock Box H arrives at the Chicago Post Office directly across Clark Street from the Continental Illinois Bank and is picked up by our messengers at frequent intervals, night and day, seven days a week.

Our prompt processing of all items takes every possible advantage of clearing hours in Chicago and other cities and of schedules of outbound trains and planes.

For all your sendings use LOCK BOX H envelopes. A free supply—regular or air mail—on request.



Continental Illinois National Bank and Trust Company of Chicago

LOCK BOX H, CHICAGO 90, ILLINOIS

Member Federal Deposit Insurance Corporation

a revolving program



financed this refinery operation

An oil refinery was built with money raised by sale of securities to the public. Contrary to plans, construction costs exceeded the capital raised, so the company had limited working funds with which to begin operations.

After studying the picture, Walter E. Heller & Company proposed a revolving financial program that put the plant into operation. Funds were advanced for the purchase of crude oil on the security of warehouse receipts. Sufficient quantities were released without payment for the daily refining operation. The finished products (gasoline, gas oil, distillate, kerosene, fuel oil) were warehoused at prices allowing for the refinery costs. As shipments were made, sales were cashed immediately under a factoring program which assumed the hazard for credit losses.

The program provided a complete financing cycle from raw material to finished product and assured a constant flow of operating funds. Resulting profits soon enabled the company to finance its own purchases of crude oil. The relationship with WEH continued for a period of years. The company became an outstanding success in its field and bought out its largest competitor in the area. It now borrows from banks and is a highly desirable "bankable" account.

Bank officers charged with responsibility for making loans are invited to learn the details of Heller Supplementary Financing. A booklet describing the nature of our services and the scope of our activities will be sent on request. Suggestions for dealing with specific problems will be given in confidence and without obligation. Please address:

BANKING SERVICE OFFICER

WALTER E. HELLER & COMPANY

Established 1919

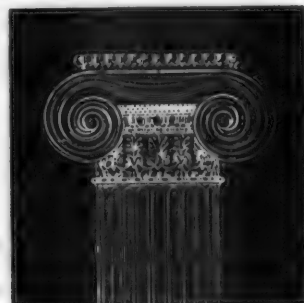
BANKERS BUILDING, 105 W. ADAMS ST., CHICAGO 90, ILLINOIS
NEW YORK OFFICE: 10 EAST 40TH STREET, NEW YORK 16

THE FINANCIAL SERVICES

rendered by Walter E. Heller & Company are not fully identified by simple tabulation because they are variously coordinated and applied to fit specific situations.

The following types of supplementary financing are flexibly administered according to experience gained from national operations which now represent a volume in excess of \$300,000,000 annually.

ACCOUNTS RECEIVABLE FINANCING
INDUSTRIAL FACTORING
INSTALLMENT FINANCING
REDISCOUNTING
MACHINERY AND EQUIPMENT LOANS
INVENTORY LOANS



The OUTLOOK and CONDITION OF BUSINESS

A CONTINUED high level of business activity for several months at least is evidently in prospect. For evidence there are the excellent first quarter records and the undiminished spending plans of Government, business, and consumers.

Russia's current revival of her old Jekyll and Hyde act has injected into the outlook a doubtful element whose importance remains to be seen. The reviews are generally agreed that the thing is well staged but rather awkward and unconvincing in the love scenes. Communism's smile is toothy and painful to watch. Communism's sweet-talk is too much with the face, and gives one a creepy feeling that it won't be long until the heroine is being chased around the table. Besides, isn't this where we came in?

Running persistently through most professional comment is concern lest the audience on this side of the curtain take the performance seriously. We know from disheartening experience how often in the past Russia has convinced even many of our intellectual gulliberalists that her intentions are virtuous. Containment seems no match for beguilement.

If there were any real chance for lasting peace most business leaders would regard it as the opportunity of a lifetime to show what free enterprise can do for better living. Such a demonstration is impossible as long as a large part of our thought and product goes for defense and war.

There may be differences of opinion on how to meet present problems but there is complete unanimity on the objective: everyone wants to avoid a serious decline.

The economic consequences of peace or some reasonable facsimile have been a subject for speculation and study so long that business should be thoroughly peace-conditioned. The books, articles, reports, and speeches on this subject would fill many a library shelf. Business should also be deflation-conditioned to some extent, because it favored generally the election of an Administration pledged to reverse the inflationary processes of the last 20 years.

At present business is in a state of balance—delicate, of course, because that is the nature of balance. No one expects any further expansion for the time being and few predict any marked change. There is a substantial body of opinion that looks for a gradual, they hope, decline toward the end of this year, based largely on overproduction of consumer durables, houses, and many lines of food.

Just how long this balance can be maintained depends on factors like these: the extent to which Russia succeeds with her new "sweet role" and the extent to which business retains confidence in the wisdom and purposes of the new Administration in Washington. Business, of course, has considerable responsibility for its own fate and future but it has no real authority as a group. For good or ill, the way things have developed in recent years has resulted in placing in the hands of Government the primary authority and responsibility for policies which determine the course of business.

We have been assured repeatedly by every department of the Government that they intend to take whatever steps are available and necessary to prevent a recession. These would include a variety of fiscal tools in the hands of the Treasury and Federal Reserve, the spending policies of various agencies, foreign aid and trade policies, and broad programs for the encouragement of public works such as highways, bridges, hospitals, schools, and the like.

A synchronization of all these weapons through better teamwork is one of the things that we should expect from this Administration. So much emphasis has been given by many Washington news commentators lately to slips and fumbles by new officials in their handling of press relations, that the coordination of economic policies has been almost unnoticed. Notwithstanding well advertised differences of opinion, there is every evidence of a healthy collaboration between Treasury officials, the budget director, and the various departments.

(CONTINUED ON PAGE 160)

"Bankavision"

GEORGE A. MOONEY

The author is banking editor of The New York Times.

A REVOLUTION has been started in banking—at least in the thrift field.

Television, a proven success, although not always as entertainment, is also being adapted to industrial uses. And now, for the first time in this country, it has been combined with International Business Machines and other electronic devices at a New York City savings bank to speed operations and cut costs.

The development, observers agree, is certain to have far-reaching effects on conventional banking methods. Indications are that, in addition to freeing highly skilled personnel for other tasks, the new arrangement, with its centrally located accounting offices, will eliminate many other types of office machines, and permit banks to establish smaller, cheaper branches in heavily populated high-rental areas.

As set up in the main office of The New York Savings Bank, the system provides separate windows for withdrawal transactions. When a customer presents his withdrawal slip, the teller calls the account number into a microphone connected with the accounting room located in another section of the bank. There the customer's account cards, showing signature and balance, are placed before a television camera which projects them on a viewing screen in the teller's cage. Thus, within seconds, the teller can check the signature and balance without turning from the window to go through his own files, and he completing the transaction by merely processing the deposit slip and passbook.

The television screen, located at the teller's right hand, and set flush with his desk, is hidden from the customer's view. About the size of a small home-type screen, it is sufficiently large to show four sets of cards simultaneously so that one circuit serves four tellers.

Under the system, which the bank calls "bankavision," conventional ledger cards and alphabetical markings for windows are eliminated. This means that a depositor may go to any one of the bank's 15 windows and the teller can post the deposit at once.

The economy of time and effort for both customers and bank is most impressive when it is considered that the transaction at the teller's window, whether withdrawal or deposit, may be simply registered on a machine which punches a tape. In turn, the tape is fed into other machines in the accounting room and these make the entries, compute interest, and in general, keep the bank's books.

Richard L. Maloney, Jr., the bank's president, explains that, while the arrangement is now limited to the teller's department, plans call for extending it to handle payroll and mortgage functions, money orders, mailing lists, and statistical operations. Approximately 65 percent of the transactions at the tellers' windows are deposits, while 35 percent involve withdrawals, he points out. The latter transactions usually require from one to three minutes each, while deposits are completed more quickly. But under the new system the time required for either type is "cut in half." Moreover, according to Mr. Maloney, the bank is now able to handle at least 30 percent additional business volume without adding materially to either staff or equipment.

The Saving in Costs

Based on the present volume of 600,000 transactions a year, here's how Mr. Maloney breaks down the savings in costs: Salaries of 18 part-time clerks, \$22,000; window machines, \$5,700; overtime, \$7,500; other mechanical equipment, \$1,800. Against this total savings of \$37,000, of course, costs of the new equipment must be tallied. Thus, there is a group of six IBM machines, including units to compute interest (formerly requiring the 18 clerks and an overtime staff), \$12,000 annual rental; television equipment, \$900, amortized on a \$9,000 total; special filing equipment, \$600, amortized on \$6,000; plus passbook posting machine and electronic tape punching machine, costing about \$3,400 a unit, which compares with

(CONTINUED ON PAGE 112)

Teller checking signature on the "bankavision" screen



BANKING'S Forum in Print 1953

CITATIONS for "outstanding use of advertising methods during the past year" were awarded to 50 banks at BANKING'S 1953 Forum in Print, held at New York University. The Forum, biggest and best in the annual series thus far, attracted entries from 308 banks in 44 states, the District of Columbia, Hawaii, Canada, and Norway. Advertising material included 111 scrapbooks, 887 wall panels, and 114 displays in other forms. Nearly 1,000 persons viewed the exhibition.

The 10 entries selected by the judges as "best of the best" for presentation in BANKING are briefly sampled on the following pages. We also publish judges' commentaries on the Forum and three letters written by students at the University's School of Commerce, Accounts, and Finance in a competition for the "most interesting and convincing" statements of their reasons for liking a particular ad or ad series.

After the entries had been judged at the School of Commerce, the Citation winners were shown at the University's Graduate School of Business Administration. In June they will be studied and discussed in classes at The Graduate School of Banking conducted by the American Bankers Association at Rutgers University, New Brunswick, New Jersey.

BANKING regrets to report that one of the judges, Dr. George Burton Hotchkiss, professor emeritus of marketing at the School of Commerce, died March 28 following an emergency operation. He had submitted his list of selections but had not written his commentary. The observations of his two colleagues, William B. Hall and John B. Mack, Jr., are published herewith.

• Citation Awards •

American National Bank & Trust Company, Mobile, Alabama
 First National Bank, Mobile, Alabama
 The First National Trust and Savings Bank of San Diego, California*
 Bank of America N.T. & S.A., San Francisco*
 Middletown Savings Bank, Middletown, Connecticut
 The New London City National Bank, New London, Connecticut
 The Lee County Bank, Fort Myers, Florida*
 The First National Bank of Tampa, Florida*
 The First National Bank of Chicago
 Merchandise National Bank of Chicago
 Citizens National Bank, Decatur, Illinois*
 Guaranty Bank & Trust Company, Cedar Rapids, Iowa
 Iowa Trust & Savings Bank, Estherville, Iowa
 Hartwick State Bank, Hartwick, Iowa
 Commercial National Bank in Shreveport, Louisiana
 Maryland Trust Company, Baltimore, Maryland
 Home Savings Bank, Boston
 Malden Trust Company, Malden, Massachusetts
 The Birmingham National Bank, Birmingham, Michigan
 Marquette National Bank, Minneapolis
 Northwestern National Bank of Minneapolis
 Empire National Bank of Saint Paul*
 Plaza Bank of Commerce, Kansas City, Missouri
 Merchants National Bank and Merchants Savings Bank, Manchester, New Hampshire
 The Montclair Savings Bank, Montclair, New Jersey
 The First National Bank of Glens Falls, New York
 Bankers Trust Company, New York
 The Bowery Savings Bank, New York
 The Chase National Bank, New York*
 Manufacturers Trust Company, New York
 Trade Bank and Trust Company, New York
 The Community Savings Bank of Rochester, New York
 The Bank of Akron, Ohio*
 The Park National Bank of Newark, Ohio
 City National Bank and Trust Company, Oklahoma City, Oklahoma*
 First National Bank of Portland, Oregon
 Fidelity-Philadelphia Trust Company, Philadelphia
 The First National Bank of Philadelphia
 Land Title Bank and Trust Company, Philadelphia
 Philadelphia Saving Fund Society
 Potter Bank and Trust Company, Pittsburgh
 Newport National Bank, Newport, Rhode Island
 Citizens State Bank, Clark, South Dakota
 First National Bank in Dallas
 Houston Bank and Trust Company, Houston
 The Second National Bank of Houston
 City National Bank in Wichita Falls, Wichita Falls, Texas
 Bank of Warwick, Warwick, Virginia
 Seattle-First National Bank, Seattle*
 Bishop National Bank of Hawaii, Honolulu

* Selected by the judges for presentation in BANKING

Congratulations, Bank Advertising!

In this article two Forum judges, JOHN B. MACK, JR., and WILLIAM B. HALL, offer their commentaries on the exhibit.

MR. MACK, former director of the American Bankers Association's Advertising Department, now heads his own advertising agency.

MR. HALL, whose observations appear on page 39, is vice-president of The Detroit Bank and president of the Financial Public Relations Association.

JOHN B. MACK, JR.

ANYONE who inspected the several hundred entries in BANKING'S Forum In Print for 1953 must agree that there has been great progress in bank advertising.

In all size classifications—small, medium, and large—banks are now doing an intelligent, constructive advertising job. The process of change and improvement has been slow, steady, largely unheralded. Only those who have been following the upward climb of bank advertising through the past score of years can know that this is an evolution rather than a revolution.

Modern banks are using all available advertising media. While newspaper advertising stands first in bank preference, printed literature, window and lobby displays, bus and car cards, radio, television, outdoor advertising, and other forms are used by banks everywhere.

It is probably in the area of newspaper advertising that bank progress is most evident. Here we find copy, layouts, and art work all displaying vigor and purpose. Visual treatment seems to vary from one section of the country to another. Banks in New England couple their appeals with dignity and conservatism. In the Middle West there is a homespun, friendly quality to the bank advertising.

In the Southwest and on the Pacific coast an original and dynamic quality has crept into the appearance and appeals of bank advertising—a reflection of the growth and

development taking place in those areas.

There has also been visible forward progress in printed material, including annual reports. Some of the present-day bank publications rank with the best produced by any industry in America today.

Window and lobby display techniques have improved to an almost sensational degree. Ten or even five years ago it would have been difficult to find a handful of banks making full use of their windows and lobbies for display purposes. But now, in keeping with the great surge of bank remodeling and new construction, on-the-premises display has been modernized, streamlined, made effective.

IN television banks have been among the leaders from the start. It is here that banks perhaps first signalled their intention of leading rather than following in the advertising parade.

In analyzing today's bank advertising, certain qualities are apparent

in all size groups. Most evident, perhaps, are the qualities of earnestness, sincerity, and honesty. No bank displaying its material in the Forum in Print could be charged with making doubtful claims or misleading statements. Bank services are being offered on their merits, in factual and believable fashion. The appeals may not be as sensational and controversial as some of the commercial advertising seen and heard today, but the bank advertisements rate high in effectiveness nevertheless, because of their believability. Inasmuch as banks are service institutions seeking public support on the basis of confidence, this is without a doubt sound advertising policy.

In addition to strong service copy, there is a good bit of institutional advertising. Banks are stressing their over-all helpfulness to individuals, business concerns, and communities. They are talking about their facilities for the convenience and comfort of people, such as drive-in banking, curb tellers, and parking lots. These are not revenue-

The Forum judges at work: left to right, Dr. Hotchkiss, Mr. Hall and Mr. Mack



PHOTOS BY BOB COOPER

A BANKING REPORT



A general view of the Forum at New York University

producers in themselves, but they are evidence of banks' desire to provide the best in service. Some of the most interesting and effective advertising by banks is about these new-type conveniences and facilities.

Improvements in advertising approach are more apparent and more dramatic among the larger banks. There is a growing trend on the part of these institutions to retain competent advertising agencies. And there is an obvious realization among agencies that the era of ultra conservatism in bank advertising has ended, and that the way is now open for creative, purposeful thinking.

There is also apparent a sweeping change in the advertising of medium-sized banks, which are now demanding original, personalized, result-producing advertising. Management, in many institutions, is now taking a direct interest in the advertising programs. These men have come to realize that their advertising is an important management responsibility, meriting the same attention as lending or investing.

The small banks show improvement, too; in fact, some of them are turning out advertising that ranks favorably with that of the very largest banks. In the small institutions, where the advertising is usually the responsibility of an officer who writes his own material or buys it in prepared form, the most noticeable progress is shown in over-all

planning. Some of the complete community programs of small banks with a few million deposits are really works of art. This is true despite the fact that these banks work under handicaps in terms of availability of advertising facilities. In assaying the advertising programs of small banks it is important to remember that personal contact is usually the most important medium of communication. The printed forms on display at the Forum in Print are accordingly only part of the small-bank story.

ONE question that must inevitably spring into the mind of anyone viewing the outstanding entries in the 1953 Forum in Print is: "How did this all come about? Why the tremendous improvement in bank advertising?"

While this is a matter of conjecture, it is certain that BANKING'S Forum in Print has itself been a factor. The annual display of superior programs and the recognition of unusual merit have focused attention on advertising as a tool of modern banking. Each year there have been striking improvements in the quantity and quality of bank entries submitted. Banks and agencies everywhere are now competing for this recognition, and this is a constructive thing for the cause of better advertising.

The Financial Public Relations Association, the state bankers associations, and the advertising department of the American Bankers Association have constantly recommended more effective advertising techniques.

But the deep-down reasons why bank advertising has shown such progress are undoubtedly the growing competition among financial institutions and bankers' awareness that a better public education job must be done.

IN most areas of banking, particularly the savings and lending fields, competition has become keen. To meet it, banks have undertaken aggressive advertising and business-development programs. More and more bankers are looking to their advertising for concrete results, and this has caused a steady upgrading of advertising quality and effectiveness.

At the same time bankers know that the public needs information about banks, financial matters in general, and the economy as a whole. While there is no unified educational

A Valuable Service—Student Letter Number 1

OF ALL the fine advertising displays in your exhibit, the message running through the series submitted by The Chase National Bank of New York seemed to me to carry the greatest impact.

Their series of picture ads, widely distributed in local newspapers as well as national magazines, gave a graphic presentation of the outstanding contributions of a great financial institution not only to its customers in various key industries, such as aviation, railroading, utilities, and others, but also, through the business generated in these fields, to the entire national economy.

The Chase, through its dignified yet eye-catching ads, is performing a valuable service to all banks in educating the general public to the vital role played by banks in general, and Chase in particular, in making the United States the best and most productive nation in the world.—PALMER TURNHEIM, School of Commerce, Accounts, and Finance, NYU.

advertising campaign, individual banks all over the country are doing an improved educational job locally, where it does the most good. This effort to inform the public has resulted in noticeable improvements in the institutional and educational advertising of banks.

REGARDLESS of the reasons for the rapid improvement of bank advertising, the fact remains that many banks are now leading rather than following. It brings a feeling of pride to see bank advertisements repeatedly shown in the advertising trade press as examples of effectiveness. What a far cry from 10 or 20 years ago! Also, there's satisfaction in knowing that at last the men who run banks realize that good banking is not just a matter of good service, but also of good salesmanship.

To those of us engaged directly in bank advertising there is perhaps a feeling of accomplishment in this progress. But more stimulating is the knowledge that now we are well on our way . . . that the stage is set for bank advertising to come fully into its own as an important part of modern bank management.

WILLIAM B. HALL

ONE naturally expects the larger banks with competent advertising counsel to do an excellent job in selling their wares, and their exhibits indicated that they do.

It was the work of the smaller banks, those with deposits of \$25,000,000 or less, that impressed me most. If there ever was an indication of resourcefulness of the smaller businessman as represented by

Simplicity, American Symbolism—Student Letter

THIS advertisement* shows two young children seated at their desks in a classroom. They are smiling; their hands are clasped. The children are sitting erect; their shoe laces are untied. Near the boy is a baseball. The girl is wearing pigtails. Like these simple sentences the picture is a simple one. Yet, through its simplicity, beauty, and good old American symbolism comes a powerful message which arouses the protective instincts of all parents. The caption, "170 Million Dollars Invested in Their Futures," is perfect for spurring the protective instinct to action. The other copy is an effective aftermath.—RONALD NEUWIRTH, School of Commerce, Accounts, and Finance, NYU.

* Bank of America. See page 41.

bankers, this was it. A multitude of sound ideas and effective selling messages were combined to tell the bank story. It was told in a warm, human, and believable manner.

ONE bank asked its customers for suggestions before constructing a new bank home, and built into the new office the recommendations made by its friends. The bank capitalized on this by preparing a booklet showing each of the features and giving the origin of the suggestion which was followed. It personalized the entire project in such a way that certainly each of the bank depositors, as well as the community in general, must have regarded the bank as his own. The same bank used a very clever advertising program, well illustrated by drawings and with an effective, brief sales message.

Another bank in this group created a character, giving him the name of the city and then letting him tell the story of the bank's annual report. The report was interesting and readable.

On every side there were illustrations of the close relationships of

these banks with the communities they serve.

Many programs were directed to special groups, and the women as usual received special consideration. A southwestern bank used a series of illustrated stories on the important part women play in business as well as home life.

Photography in many forms was utilized to create a personal interest. Air photos of farms in its area were prominently displayed in one bank's lobby, providing a continuity of customer interest and pride in ownership which certainly would reflect to the benefit of the institution.

Another bank used colored snapshots of its local people, with emphasis on the youth of the community and their daily accomplishments.

One could go on and on with similar illustrations and still inadequately cover the number of excellent ideas present in this exhibition.

It is regrettable that the Forum in Print of bank advertising, particularly that used by the banks in this classification, could not be preserved for future reference. It would provide a wealth of ideas as well as inspiration not only for the banks in the lower deposit totals, but also for all other banks interested in the most effective method of telling the story of what individual enterprise can do in the banking business.

Congratulations to all of the exhibitor banks for the excellence of their advertising, and for their interest in making the Forum in Print an outstanding, worthwhile feature!

Civic Pride Appeal—Student Letter

I LIKE best the series of advertisements submitted by the Springfield Marine Bank of Springfield, Illinois.

These 52 newspaper advertisements created to commemorate a century of life in Springfield and to celebrate the 100th anniversary of Springfield Marine Bank are perfect examples of literature in advertising. I can imagine these being read to children as history, by grandparents as memory, and by all citizens of Springfield with pride in their city and confidence in the Springfield Marine Bank.

The scope of the campaign is broad; the interest in nationwide; the treatment is warm and inspiring.—SUSAN MCCALL, School of Commerce, Accounts, and Finance, NYU.

"That's My Bank"

**First National Trust and Savings Bank
of San Diego, California**

Agency: Phillips-Ramsey Company, San Diego

"That's My Bank..."

Says Andy L. Sahn, Sr.
Chief Pilot Officer U.S.S. Stryker, ARL 23,

One of the things I discovered upon being assigned to San Diego nine months ago was that First National of San Diego's Navy Bank... and has been since 1883... National's got no time in being... advantage of First National's modern banking... service, with some... in particular... for the... service, say 10 Check Account, for instance, makes bill paying so easy. And besides... when I walk into this bank... I have a feeling of... belonging." My Bank is First National... San Diego's Navy Bank!

**PAY THE CONVENIENT WAY...
USE 10-CHECKS**

As Chief Cook has learned, First National lives up to its reputation as San Diego's Navy Bank. Of course, it's experience in handling personal and financial affairs of Navy personnel has given First National a sympathetic understanding of the problems confronting them in the service. The facilities of the First National Bank... San Diego's Navy Bank... are always at the disposal of members of the Armed Services.

**SAN DIEGO'S
NAVY BANK
SINCE 1883**

**First
National
Bank**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



11 BRANCHES
Digital Units
Automatic

LA JOLLA

MISSION VALLEY

LEONARD DRIVE

OLIVE STREET DRIVE

FOURTH PARK

COLLEGE CANYON

CHERRYVIEW


LA JOLLA

NATIONAL CITY


EL CAJON



"That's My Bank!"



**During 1952-
34,918 San Diegans
opened new
accounts with
the First National**



**First
National
Bank**

San Diego County's
Pioneer Bank Since 1883

Member Federal Deposit Insurance Corporation

THE objective of this campaign, conducted via newspapers, radio, television, and billboards, was to emphasize the bank's position as the largest local institution. Services were merchandised by using San Diego residents, with typical financial problems, as examples.

The campaign aimed at giving identity to each of the bank's 11 branches; at pointing up as many services as possible; at offering competition; and at making First National "the friendly local bank to many thousands of San Diego newcomers."

Results: The "differentness" of the ads and radio and television copy caused "definite local impact" — deposits increased 13.85 percent in 1952 and the bank's services were "more widely used."

170 Million dollars
invested in their tomorrows!



Californians know that it takes money to educate today's youngsters for tomorrow's responsibilities—money for classrooms, libraries, playgrounds and other "tools of learning." A lot of this money comes from Bank of America through investment in school bonds. This financial support has helped create—in hundreds of California cities—the modern schools so vital to the development of today's children.

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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Building and Serving

Bank of America

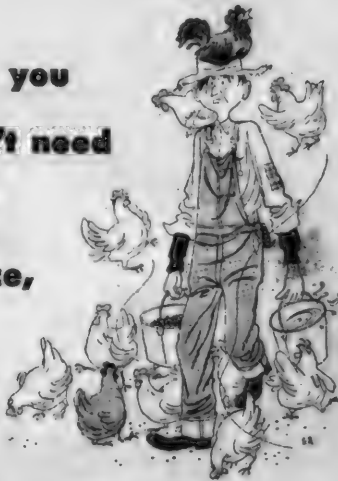
Agency: Charles R. Stuart, San Francisco

ADVERTISING and sales promotion of this bank are closely tied in with its continuing job of "building and serving California."

In 1952 both the media and the nature of the advertising were "as diverse and complete" as the bank's many services.

Color was used extensively in direct mail pieces, posters, brochures, and a varied assortment of booklets and other printed matter.

Maybe you
don't need
a new
fence,
but.



Fences, screens, driveways and the like are only a few of more than 150 home improvements you may finance through Bank of America. Or perhaps you've been thinking in terms of a little cement work. Whatever the improvement you want to make, you'll probably find it's available through Bank of America *Temples*-FHA financing.

Ask your dealer or contractor for *Temples* financing... he can make all the arrangements for a *Temples*-FHA loan right in his own office. Or, if you wish, you can arrange financing in a few minutes at any Bank of America branch. Come in any time.

NO DOWN PAYMENT... UP TO 36 MONTHS TO PAY



Your Neighbor

BANK of AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Adv. No. 1452



is for Cat

One thing nice about cats is they never worry about where all the money goes. Do you?

With Bank of America's Tenplan checks you can account for every last penny. You can afford them, too: Costs just 10¢ a check, and no minimum balance. Moral: A man with a Tenplan checkbook can be as carefree as a cat.

Bank of America
NATIONAL TRUST AND SAVINGS ASSOCIATION
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Adv. No. MN59-32

★ ★ ★ The Bank of Friendly Service ★ ★ ★ ★ ★

"Adventures of a Check"

The Lee County Bank, Fort Myers, Florida

AS AN answer to complaints about service charges, this bank published a series of newspaper advertisements showing the work done for customers by the bank. Copy was written by an officer; illustrations were by a local newspaper photographer.

"Much favorable comment resulted," reports J. A. Ansley, vice-president and cashier. "Customers would stop at officers' desks and at tellers' windows and express surprise at the service performed for them. No complaints on service charges were received for six months following publication of these ads. Local high school teachers used the clippings to instruct students in business classes."



Statement day is a busy time at The Lee County Bank. Left to right: First row—Clara McLean, Key Culpesper, Rhonda Lamb, Leona Memory. Second row—Jean Morley, Winifred Martin, Joyce Parker, Betty Ross, Sheila Spratt, Marlene Laro, and Harold Thomas, Auditor.

Chapter No. 6

Check's Adventures Come to End As It Is Returned to Customer

Mrs. Roland Wiggett's check, in payment of her light bill, must now be returned to her, with the endorsement of the Florida Power and Light Company. The check had gone through all the banking machinery had been charged to

listed and compared these numbers to the pencil figures on the top checks in the packages. In this manner they were assured that all checks were being returned. In cases of error, they planned and

★ ★ ★ The Bank of Friendly Service ★ ★ ★ ★ ★



Cora Burghard compares details of the new Robert E. Lee statuette with those of the portrait she painted for The Lee County Bank.

Chicago Sculptor Makes Bank In Likeness of Robert E. Lee

The Lee County Bank now has available to its customers Robert E. Lee statuette banks—handsome bronze decorations for the home or office.

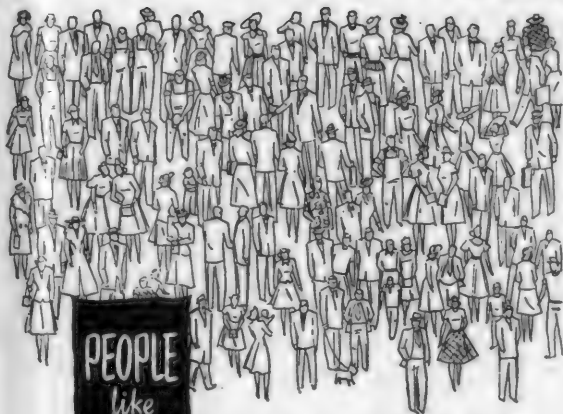
Arrangements for these banks were made through Joseph L. Eisenhardt, Jr., Secretary-Treasurer of Bankforce Industries, and a number of other banks.

Mr. Brunetti is a graduate of the Minneapolis School of Art. While a student there, he was first prize in sculpture in the Twin City Artists Exhibition and received second prize in the Prix de Rome International Contest. A scholarship won in a national contest paid for his first year in art school. Additional scholarships, plus money earned by posing and teaching

A Savings Campaign

ANOTHER series of ads had as its purposes focusing attention on Lee County's trademark, Robert E. Lee, and increasing savings accounts. Again, copy was by an officer and pictures by a press photographer.

"As a result of this advertising," says Mr. Ansley, "we opened 1,487 new savings accounts and increased our savings deposits 25.98 percent."



PEOPLE
like
you...

make The First National Bank

The First National Bank of Tampa is really your bank . . . because a bank is *people* . . . lots and lots of people . . . who use it as help in their financial affairs. Checking account service so that they can accurately record their income and expenses . . . savings account for that "rainy day" . . . help when they need it in both personal and business affairs. That's the kind of bank you have in Florida's Oldest National Bank which sincerely invites you to join this family of ever increasing customers.



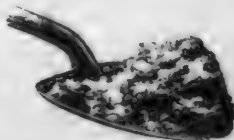
FLORIDA'S OLDEST
NATIONAL BANK

THE FIRST NATIONAL BANK of TAMPA

CAPITAL AND SURPLUS \$3,000,000 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
MEMBER FEDERAL RESERVE SYSTEM
FRANKLIN and MADISON STREETS

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"A shovelful of Florida
that means a *better* World"



Few of us realize the importance to the World of the Phosphate Industry of Florida. Although found in Tennessee, the Rocky Mountain, Africa, the Soviet Union, China and the Pacific Islands . . . much of the Phosphate of the World and the greater Phosphate Industry in America . . . is here in Florida in the Tampa area. Last year more ships from Tampa's port went to other nations of the World with more phosphate than at any time in the history of the industry in America. Largely because of Florida's Phosphate, America produces the most abundant crops of beautiful foods in the World . . . its people are the best fed people of all nations. Florida's Phosphate goes to other nations to rehabilitate their soil so that these nations can raise abundant crops to make them, and their people, strong and vigorous. It enables America to share its funds with the people of the World. Already contributing to the manufacture of 32 other products . . . now Florida's Phosphate becomes more important to the peace and prosperity of the World in the recent announcement of the construction of a new 10 million dollar plant, not only to produce more phosphate, but to extract uranium. Here is an industry that for three-fourths of a century has helped Florida grow and prosper . . . and whose influence for good is felt around the Globe . . . Florida's oldest national bank serves the Phosphate Industry of Florida!

OLDEST NATIONAL BANK IN FLORIDA

THE FIRST NATIONAL BANK
of TAMPA

CAPITAL AND SURPLUS \$3,000,000 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Design, Quality, Style

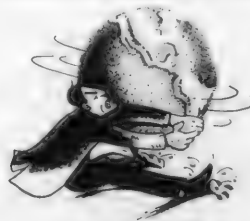
The First National Bank of Tampa, Florida

Agency: Jack Lacey

FIRST NATIONAL'S purpose was to sell itself "as an institution important to community, state and citizens;" to sell its services; get more depositors, greater deposits, more loans, more trust business." The media used were newspapers and radio.

Results: Deposits at an all-time high of nearly \$80,000,000; savings deposits up \$1,000,000, checking up \$5,000,000, personal loans up \$1,000,000, outstanding commercial loans up \$1,000,000.

The bank emphasized design, quality, and style in its advertising, with the objective of making itself the community leader in that field also.



HOW TO STOP *Progress*

The world would almost come to a stand-still if suddenly it had to do business on a cash basis.

That's one of the reasons we have banks.

The world does business on credit. It is the means by which great industries have been established and helped to grow. It is the way that people have their own homes and enjoy all the things that have given this Country the greatest standard of living in the world.

Credit is faith . . . faith in the ability and honesty of our fellowman.

For 69 years this bank has extended credit to people and to businesses . . . and in that way has had opportunity of doing something important in the development of our City and State and in the lives of people.

We welcome the privilege of talking with you about your personal or business financial needs.



FLORIDA'S OLDEST
NATIONAL BANK

THE FIRST NATIONAL BANK of TAMPA

CAPITAL AND SURPLUS \$4,000,000 MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION
MEMBER FEDERAL RESERVE SYSTEM
FRANKLIN, MADISON AND TAMPA STREETS

"Big... But Friendly"

The Citizens National Bank,
Decatur, Illinois

Agency: Pownall Advertising, Inc.



THE "Big . . . but Friendly" theme sought to establish a feeling in the community that this bank was a large, stable banking institution staffed by down-to-earth people. The use of children's pictures (no copy, except the theme and the bank's signature) suggested a common bond between the Citizens and the reader of the ads.

"The tremendous success of this program," says the bank's agency, "is attested by the popular demand for a continuation of the series when it was terminated in January 1953. It has been continued."



CONTENTMENT
from a LAKE
and GARDEN



A. J. NEWES, car service agent of the Chicago Northwestern System, grows flowers at his place at Birchwood, White Bear Lake, gladioli (34 kinds), iris (46 kinds), delphinium, phlox, many others, flowers so beautiful that the neighbors point with pride to the Newes garden as a haven of satisfying living and contentment.


Know what has contributed to that contentment mounting, as it has, through the years? A cordial banking relationship with The EMPIRE in Saint Paul, a relationship that has been as dependable as a good right arm through doctor bills, auto repairs, a new garage, home improvements; in fact, to Mr. Newes went the first FHA Loan for home repairs approved by The EMPIRE. That was October 18, 1934.

The EMPIRE is helpful in time of need to thousands of patrons. Day after day, year in, year out, it provides low-cost home-loan, auto-loan, and personal-loan service. Perhaps it can serve you, to stop in when you need money for any worthy purpose.

You'll feel at home at The EMPIRE

EMPIRE NATIONAL BANK

He's bringing his family from Ireland on an EMPIRE Loan



JOHN J. KELLY, once of Belfast, now of Saint Paul

JOHN J. KELLY of Belfast came to Saint Paul in June, 1931, and began work as a mail handler at the Saint Paul Union Depot almost immediately. He's on the job today, he likes America, the freedom it provides, the "good people" he has found here. Life will be just about perfect if he can get his wife and their 17-year-old son, Jim, over here in time for Christmas. All necessary advance papers have been filed, and Kelly now awaits word of the sailing from Cobh.

"That boy of mine will be thrilled over the opportunities for kids here," said the father. "I'm going to put him in YMCA gym classes right away. Do you know how I got the money to pay the seamanship and rail fare? I went to The EMPIRE, showed them I have a steady job, that I love the country and want to make a home for my family here. It's a good land. In return, I'm studying hard and working hard, so that I'll make a good citizen. The EMPIRE made me a loan, cash in hand, and I sent it back to the emisees in Belfast. Accommodating men at The EMPIRE? I should say they are! I'll remember their confidence in me, their courtesy, all my life."

You may not have a wife in Belfast, but you may need money for an emergency or to fix up the house or buy a car. Think first of The EMPIRE for a low-cost loan; you'll find that money is easy to get at this bank for almost any need you have.

You'll feel at home at The EMPIRE

EMPIRE NATIONAL BANK

"Real Life" Folks


Empire National Bank, St Paul

Agency: Weaver-Gardner, Inc., St. Paul

UNION workmen, clerks, secretaries, small businessmen, big industrialists—these and other actual customers—were featured in an Empire series running once a week in two St. Paul newspapers.


Alternating between main news and sports sections, the ads are designed to show not only that friendly people run the bank but that its customers feel at home there. Customers were pictured, and the story of each one's connection with the Empire was told, sometimes in his or her own words.

Empire deposits increased 12.81 percent in 1952; the ads began to appear in July.



CLIFF SCHANNO, Recording Secretary
Drivers' Union 120

He knows 3,500 Fellow Workers by Their First Names



THERE isn't a horse-drawn truck left on the rolls of General Drivers' Union No. 120, AFL, (of which he is recording secretary) yet Cliff (Clifton H.) Schanno, once drove a milk cart with the horse obligingly following him from door to door down Saint Paul streets.

The local union's nearly 4,500 members—a vital link in the industrial activity of Saint Paul—now use completely motorized equipment, and, to keep contact with these union drivers requires fast transportation too. That's why Cliff Schanno wears out an auto pretty fast.

And when he needs a new one, he uses the fast, low-cost auto loan service of The EMPIRE. The contact thus made has developed into a most cordial banking relationship. Just as Mr. Schanno has experienced, so you too can enjoy one or more of The EMPIRE'S helpful loan services—in buying an auto, improving your home, buying equipment for it, or for any other worthy purpose in which additional funds are needed.

You'll feel at home at The EMPIRE

EMPIRE NATIONAL BANK

A Bank Tells a Story

The Chase National Bank, New York City

Agency: Hewitt, Ogilvy, Benson & Mather, Inc., New York

IN this series Chase plays the behind-the-scenes part of a story teller. Each advertisement features the contribution of a specific industry to the country's economic progress.

Interwoven through the copy is the role of competitive banking as a partner of industry in America's free economy.

Success of the series, appearing in local newspapers and national magazines, has been attested by editorial comment and many letters of appreciation.

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Readin'...Writin'...Bankin'!

Read how bank money helps meet the demands for bigger and better schools

"Hey, you should see our new school!"

Twice-as-big classrooms, soundproofed and scientifically lighted. Broad corridors. Sparkling bright cafeteria. And a king-size gym. But who's a second-grader to thank? Good old tax-paying dad, of course, and also...
THE BANKS! Correct! A roomy, glittering new school can cost well up into millions—and there has to be ready money standing by.

Where Does It Come From?

Few communities have the resources to furnish the immediate funds needed to complete a new school building. The usual procedure is to spread the cost over a period of years by borrowing through the issuance of the municipality's bonds which will be paid from future taxes.

You want your child to have the best possible educational facilities, but you'd rather pay a few dollars extra a year in taxes than put up your share in a lump sum.

This is where competitive banking comes in. Your municipality issues its bonds to cover the amount of money needed. The catch? Well, it frequently comes from banks which bid in open competition for the bonds either for their own investment or for resale to the investing public. The result is cash on the barrelhead, at the lowest competitive interest cost to your community.

Multiply by Thousands

When you take this picture and enlarge it—multiplying a single grade school in a single community by thousands of elementary schools and high schools—you see how vital American banking is to American education. Moral: In public education, as in private industry, there's usually a bank lending a helpful hand!

Whether bank loans or investments mean bigger and better schools or newer and better products, the important fact to remember is this:

Money is going to work, and when money goes to work, men and women do, too! Follow each bank dollar, and you'll see a Free Enterprise cycle that means a higher standard of living for all.

Chase National Bank is proud of the part it is playing in American progress.

THE
CHASE
NATIONAL BANK
OF THE CITY OF NEW YORK

MEMBER FEDERAL RESERVE SYSTEM

Simplicity with a Punch

Bank of Akron, Akron, Ohio

Agency: Jessop Advertising Company

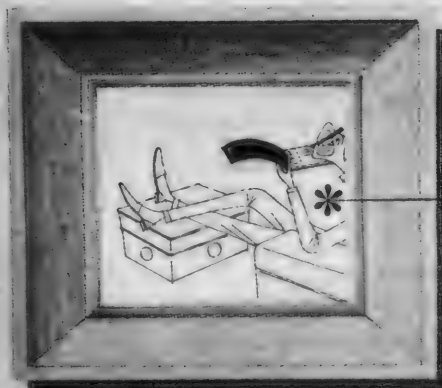
THIS bank's newspaper advertisements are designed to catch the eye and stop the reader, phrased to sell Bank of Akron services and advantages . . . with follow-through to make a lasting impression. Simplicity is the keynote—simplicity of design, thought, and expression. The signature is prominent.

The ads, says the bank, "are doing a good job in attracting attention, creating action, building goodwill, and bringing new customers."

Services covered: checking, savings and commercial accounts, Christmas savings.



SAVINGS • CHECKING ACCOUNTS • LOANS
328 S. MAIN ST., near Exchange
MEMBER FEDERAL RESERVE BANK • NATIONAL CURRENCY



Portrait of a man paying a bill.

Open Your Checking Account Now!



Member Federal Deposit Insurance Corporation

328 S. MAIN ST., near Exchange



MEMBER FEDERAL RESERVE BANK • NATIONAL CURRENCY
328 SOUTH MAIN STREET NEAR EXCHANGE

There is no substitute for a



Member Federal Deposit Insurance Corporation
328 S. MAIN ST., near Exchange

To the Ladies!

**City National Bank and Trust Company of
Oklahoma City**

DECIDING that "It pays a bank to have a lot of women friends," City National directed all its 1952 savings promotion at women, "who own so much of everything these days."

The campaign used 26 newspaper ads, outdoor advertising, bus cards, point of sale display, blotters, television, and radio.

Sale of calendar bank was tied in. The newspaper copy was keyed to the slogan "It's a Woman's World" (the bank deleted "Man's" from the familiar version). Bus cards, billboards, and blotters, also angled at women, offered the plastic bank. Radio and TV programs featured it, too.

"Results have not been too bad," reports the City. "Savings totals continue to climb, coin banks sold like hotcakes. And as was to be expected, there's been a by-product benefit to other departments."

The bank also featured an "Open for Business as Usual Saturdays" campaign.

for our customers:
**Open Saturday
as Usual!**

City National BANK
AND TRUST COMPANY - OKLAHOMA CITY

Oklahoma City's Main Street Bank at Main and Broadway

Woman's IT'S A MAN'S WORLD

The new home is
Mrs. Turner's pet idea!



What's so different about Mrs. Turner? Nothing. She wants a new home, that's all. She'll get it, too... now that she has stopped dreaming and started saving. A City National Savings Account solved her home problems. It'll solve yours, too. Investigate it today.



Why be late with that deposit? A Calendar Bank makes it easy to save regularly. Get one today, at cost!

2% Interest Makes Your Savings Grow at City National

City National BANK
AND TRUST COMPANY - OKLAHOMA CITY



Oklahoma City's Main Street Bank at Main and Broadway

Woman's IT'S A MAN'S WORLD

Mrs. Gilpin takes care
of the unexpected
by saving for it!



Nothing catches Mrs. Gilpin unprepared. No, ma'am! Whether it's a surprise house guest or an unexpected bill, she's ready for it. The cash in her City National Savings Account takes care of those unexpected costs.

It'll work for you, too. Come in and check with us!



Don't let savings lag! Stay up-to-date with a Calendar Bank. You can get one at cost.

2% Interest Makes Your Savings Grow at City National

City National BANK
AND TRUST COMPANY - OKLAHOMA CITY



Oklahoma City's Main Street Bank at Main and Broadway

A BANKING REPORT

The Stylized Cartoons Helped

Seattle-First National Bank, Seattle, Washington

Agency: Ruthrauff & Ryan, Seattle

SEATTLE-FIRST sought to increase its stature through public relations advertising and to increase business in various departments.

It took advantage of the city's centennial to sell the bank's stability from pioneer days.

For selling services, human interest copy and drawings, and stylized cartoons, proved effective, every department of the bank showing an increase over the previous year.

Roof Leak?

DON'T PUT OFF roof repairs before winter sets in! Many times, minor repairs cost more the longer you wait. A Seattle-First National Home Improvement Loan can be used for a new roof or repairs to your old one. You may also want to insulate, add a room, or install a new heating system.

These and many other improvements can be financed. Just ask your building material dealer or contractor to help you remodel or repair with a Seattle-First National Home Improvement Loan. Or consult the Consumer Credit Department of any one of the 52 Seattle-First National branches throughout the State.

HOME IMPROVEMENT LOANS

Up to 36 months to pay

LOCAL OFFICE

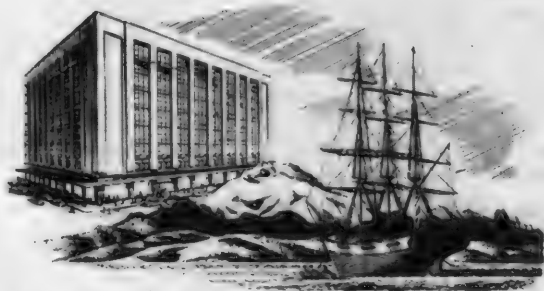
NAME HERE

SEATTLE - FIRST
NATIONAL BANK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

SEATTLE'S *First* BANK

Now serving over
400,000 customers—statewide



Centennial Milestone

We've come a long way in our first hundred years. Many great, and historical milestones mark our way. In Seattle's Centennial year a magnificent new milestone rises within view of the original Landing of the schooner Eggert—Fredenck & Nelson's—one of the largest and finest department stores anywhere in the land. It not only meets the needs of a thriving metropolis—but reflects the confidence of Seattle's twentieth century men of vision in the future of our city and our state. In this Centennial year, Seattle's first bank salutes all those men of vision who have paved the past—and those who protect a future bright with promise.



52 CONVENIENT STATEWIDE OFFICES TO SERVE YOU

[illegible]

Market Shrinks under Threat

The decline resulted in raising the yield on the longer-term 2½ percent issues to about 2.95 percent

Probably to counter any thought that defense expenditures would be slowed down, but in recognition of the probability that general public and business opinion might draw that conclusion, semi-official statements from Washington emphasized that the defense program would show no let-up whatever. What else could be expected? It was much too early to reach any conclusions.

What can be said safely is that after several months, during which every actual and prospective development was of a nature to tighten credit and depress bond prices, there is now a possible happening which would have the reverse effect. A truce in Korea might very well result in such a change in public psychology as to bring on a political demand for a reduction in defense expenditures and a lowering of the weight of taxation. If this should occur, would not there be the likelihood of a lessened volume of business before the end of 1953? Would not any definite indication of such a development be certain to alter the present restrictive credit policies of the Federal Reserve Board? No one knows now how the cat will jump, but instead of being almost sure to jump one way there is at least the possibility of his jumping the other. The possibility of a truce in Korea is the first, if faint, ray of hope that a better market for Government securities may be not too long delayed.

Investment Markets

H. EUGENE DICKHUTH

THE Soviet peace offensive produced the sharpest break in stocks in two years, accompanied by a trading volume of more than 3,000,000 shares each on certain days, on the New York Stock Exchange.

Repudiated Russian Czarist obligations got a play, too, on the American Stock Exchange, formerly the Curb, but on the upside.

Trading was fast in the bond market as well. Industrial obligations joined the downward trend of equities. The break was the worst since the Korean war started. So-called war babies took the brunt of the selling.

Somehow, the "peace scare" in the investment markets was accelerated by the apparent determination of the Treasury that, peace or war, maturities of Treasury obligations will be lengthened and the debt will be spread out more into the hands of institutional investors.

Thus, yields are still rising, however gradually, and existing fixed-interest securities are going down in price to adjust themselves to the new money curve.

Stock trading on the New York Stock Exchange in March totaled 42,472,257 shares, the largest monthly turnover since October 1951, when 42,530,542 shares changed hands. In fact, it was the largest March volume since 1937, when the aggregate was 50,346,280 shares.

BOND volume in March on the Big Board was \$74,756,900 par value, a sharp increase over the \$60,287,940 traded in February and compared with \$58,122,840 par value in March 1952.

However, new issues of bonds and stocks offered publicly in March declined from the previous month. But, compared with other years, bond financing was the largest for any March since 1948, while stock flotations were the smallest since 1950.

Offerings of state and municipal obligations accounted for the greater part of the senior flotations, as they did in January and February. They aggregated \$335,252,000, comprising 75 issues, and they represented more than 56 percent of all bonds marketed last month. The total of all bonds offered was \$588,337,000, against \$487,828,000 in March 1952, when municipals accounted for only \$93,318,000.

New bonds floated in the first quarter of 1953 amounted to \$1,902,984,000 for 280 issues, compared with \$1,472,851,000 for 216 issues in the like period of 1952. So far this year, public bond offerings were, indeed, the largest for the same period in 27 years.

Equity issues made a poor showing. New stocks offered to the public in the first three months of 1952 amounted to \$247,143,000 and they comprised 33 issues. This compares with \$302,274,000 for 43 flotations in the corresponding period of last year. In the first quarter of 1951, there were \$148,004,000 of new equity offerings, comprising 27 issues.

Public utilities dominated the scene, with common stock flotations totaling \$196,168,000, against \$96,928,000 last year, and new industrial equities \$43,908,000, compared with \$192,084,000 last year.

For the fiscal year to March 31 the Treasury reported a deficit of \$5,770,509,748. For the same period one year ago the figure was \$3,338,783,697. Comparison of the main components of the two periods shows:

	1952/53	1951/52
Net receipts	\$48,245,320,075	\$44,201,513,124
Total expenditures	\$54,015,829,824	\$47,540,296,822
Balance in general fund		
3/31	\$ 6,908,220,317	\$ 6,840,071,770

Last year April and May showed a deficit of \$3,543,000,000 and June had a surplus of \$2,865,000,000, so for the quarter the deficit was about \$700,000,000. Then in July and August expenditures exceeded receipts by about \$4.4-billion.

This year expenditures have risen over \$2-billion more than have receipts, and little change in the trend can be looked for in the next three months irrespective of what happens in Korea. It is clear that the Treasury will need perhaps \$1.5-billion to \$2-billion new cash before the fiscal year ends on June 30. About that amount was talked of in the final discussions concerning the amount of new cash financing and confirmed in the announcement by the Treasury on April 9.

Cash Financing a Compromise

The offering by the Treasury of \$1-billion of 3½ percent bonds 6/15/83/78, together with the announcement that a similar amount would be raised by "increases in weekly offerings of Treasury bills," is a compromise between those who had urged that the full amount be obtained from a long-term marketable bond and those who felt that anything of that sort should be delayed until the future course of business volume could be determined. Events in Korea had somewhat strengthened the latter opinion.

The amount of long bonds offered for subscription was small enough to assure practically a heavy oversubscription, especially as payments for the bonds could be made "over a 3-month period from the date of issue (May 1, 1953)." That the Treasury expected an oversubscription was indicated by its putting in italics the phrase "cash subscriptions should be entered promptly in order to be timely."

As "this bond is designed to attract people's savings ... especially as they accumulate in ... life insurance companies, savings bonds, pension funds, etc.," subscriptions by commercial banks were "limited to a percentage of their time deposits," probably with a maximum of \$100,000.

Holders of Series F and G Savings Bonds were "given the period prior to May 1 to exchange them for the new bond at par, with interest adjustments to May 1." Any such exchanges would be in addition to the \$1-billion offered for cash.

Market Prospects

There is little doubt that the new bonds will sell at a premium. There is no doubt that the usual crowd of "dollar patriots" will enter subscriptions looking for a quick profit. What matters is that most of the new bonds will find permanent homes outside of the banking system, and they will. The first debt funding operation should prove a real success.

Presently outstanding 2½ percent marketable bonds

(CONTINUED ON PAGE 126)



Some Changes in the Schedule

LAWRENCE STAFFORD

CIRCUMSTANCES are forcing a new estimate of the time when some of the major avowed objectives of the Eisenhower Administration can be realized as concrete accomplishments.

In the monetary field the most recent change has been in the interest in reviving, at least on a stand-by basis, the power to curb consumer credit, and probably also to reinstate this power prior to any new emergency.

When the Senate Banking and Currency Committee was holding hearings on the general subject of extending phases of the Defense Production Act, and in particular on proposals to "freeze" prices, wages, and rents, two leading officials came forward to recommend power to regulate consumer credit.

One was Elbert P. Tuttle, general counsel of the Treasury Department, who testified in the absence of Secretary George M. Humphrey. "There has been some discussion of reinstituting consumer credit controls by

the Federal Reserve Board," Mr. Tuttle said in his opening statement.

Subsequently he observed that, while there has been a substantial expansion of consumer credit, this may be discouraged if collection losses develop and repossessions are required. Mr. Tuttle went on:

"We believe, however, that there may be conditions that will be helped by some flexibility of action by the President in this consumer credit field, and Congress may feel that some indirect controls by way of checking consumer credit should be available to the President."

Mr. Tuttle further suggested that "if Congress should feel that such controls should be made available," he would recommend legislation authorizing the President to direct the Federal Reserve Board to re-establish consumer credit controls when, in the President's judgment, such action is necessary.

This statement was presented at

a time when Homer Capehart (R., Ind.), chairman of the Senate Banking Committee, was questioning witnesses closely to ascertain whether they would support his "90-day freeze" bill.

On the other hand, the Treasury's formal statement did not limit the recommendation for power to reinstitute consumer credit controls to a time of possible national emergency. The clear inference was that power was recommended regardless of such an emergency.

FR Recommends Stand-by Reg. W. Power

Chairman William McC. Martin of the Federal Reserve Board presented to the committee the Board's view on this question.

"The Board is not seeking authority to reinstitute at this time regulation of consumer credit or real estate credit," Mr. Martin said, expressing the preference for broad fiscal and monetary policy.

On the other hand, if it is thought desirable to freeze wages, prices, and rents in a national emergency, "the Board also recognizes that . . . consumer and real estate credit controls might well be needed to supplement other emergency measures. Accordingly, if legislation along the lines of S. 1081 [the freezing bill] were to be favorably considered by Congress, provisions authorizing consumer and real estate credit controls for a temporary period in an emergency might appropriately be included in such legislation," Mr. Martin recommended.

There is thus a difference between the Treasury (or Administration) viewpoint and the Federal Reserve Board viewpoint. The former recommends stand-by power to curb consumer credit, with or without a national emergency. The Board's recommendation is limited to this circumstance.

Martin's View

Subsequently Senator Wallace F. Bennett (R., Utah), a member of the committee, asked Chairman Martin whether he did not think that power to curb consumer credit should be given permanently to the Federal Reserve Board.

Mr. Martin responded that, speaking personally and not as a member of the Board, he thought this should be done. He observed further that, as the outlook now is, he didn't see when the time would come that the country would not have a defense emergency.

Not long afterward the Senate Banking Committee voted to provide the Federal Reserve Board with the power, for two years from June 30, 1953, to reinstate the regulation of both consumer and real estate credit regulation.

Changes Outlook

Many observers have long been under the impression that, since the Board had won back its power to conduct its open market operations freely and without undue concern over the interest level on, and price level of, Government securities, and to operate other powers of the Federal Reserve System, its interest in the specific credit controls had waned except in the face of a very grave emergency.

Highly placed members of Congress, who had sounded out the Eisenhower Administration on the sub-

The Government Bond

Outlook

THE performance of the bond market in the weeks preceding the announcement of the Treasury's new financing plans made it clear that there was no clear-cut indication of the course of action the Treasury might follow. The first rumors that a long issue was being considered caused the market for outstanding long issues to drop to new lows, so that the Victory 2½s were bid on March 26 at 93 4/32 to yield 2.96 percent before taxes. Obviously, the market said that the rate would have to go beyond 3 percent if a really long bond were to be issued.

THE market appeared to be in a state of suspended animation as the Treasury continued to delay its decision, renewed negotiations in Korea gave birth to peace rumors, and the stock market slumped. These developments led to the speculation that a change in the business climate later in the year might occur, and that the long-term financing could be postponed. Accordingly, the market recovered some of the ground lost during March. The Victory 2½s advanced to 94 2/32 to yield 2.89 percent just before the Treasury announcement on April 8.

THERE can be no doubt that the decision to fulfill the campaign pledge of extending the debt at this time was an extremely delicate one. The attitude of the market and the conversations on this question showed that there was no general agreement upon what should be done.

One body of thought held the view that it would not be advisable to risk a new long-term offering while private investment demands were so great, because it might upset the business picture. It was felt that it would be wiser to delay the financing until later in the year, when it would appear that the climate would be more receptive to new Treasury obligations.

ON the other hand, aside from the basic considerations of the desirability of lengthening out the debt, the argument was expressed that the Treasury could not indefinitely temporize with the problem and that it

should go into the market and compete with private demand capital at a price the market would be willing to offer for money.

ANOTHER factor in the picture was that the new offering might serve to reinforce Federal Reserve monetary policy, which was enforcing restraint on the short end of the money market. The sopping up of investment funds by the Treasury might function to dampen down what appeared to be a too pronounced demand for private credit. The argument was that it would be more appropriate to do the job now, rather than to wait until business conditions were less favorable. Treasury long-term financing might then have a depressing effect at a time when stimulation of private capital investment would be most desirable.

It might be said then that the Administration faced a delicate situation, particularly because it could not be sure just where the balancing point for the economy would be. At the root of all economic decisions these days is the consideration that nothing must be done to precipitate a deflation of significant proportions. That would be political suicide.

It is safe to state that the offering of \$1-billion of new 3¼ percent 30-year bonds is only a reflection of basic policy of genuine willingness to extend the maturity of the debt. But this deals with only \$1-billion of new money. It is somewhat anomalous that, at the time of offering, another \$1-billion of new money is being secured at the extreme opposite of the maturity scale—through increasing the weekly offerings of 91-day bills.

THE real test will come when the Treasury tries on a larger scale to extend the maturities of bills, certificates, and bonds that come due from month to month, and to place new obligations in the hands of long-term investors. The impact of any such attempts upon the capital markets will be a major consideration because, as stated above, they would have such an important bearing on the balance in the economy.

ject of consumer credit control, reported to this correspondent that the Administration indicated it was not interested in such control except in an emergency. Furthermore, the first individual to be made a new member of the Council of Economic Advisers, Arthur F. Burns, told the Senate Committee that, short of a war, he was skeptical of the use of these specific credit curbs. In time of war, he indicated, they helped

reinforce the economy through restricting the credit for purchasing consumer durables whose production might be cut back to save materials.

Nevertheless, the logic of the presentations to the Senate Banking Committee is that the Eisenhower Administration is apparently somewhat inclined to want to reinstate Regulation W if consumer credit volume continues to expand.

It was noted last month in this department of BANKING that the Administration classified Regulations W and X as "indirect controls," contrary to the general definition of these as direct controls. This fact has significance.

Congress May Not Approve

Despite the Senate committee's proposal of a two-year power to bring Regulations W and X back to life, regardless of the absence of a new war or grave national emergency, it remains to be seen whether such a proposition will survive in final legislation.

Nevertheless, so far as the Eisenhower Administration is concerned, the making of loans to consumers to purchase merchandise does not seem to fall within the President's declaration of policy in his first message to Congress, in which he stood squarely in favor of the operation of the unregulated, free price and market system.

V-Loans

Both sides of the Capitol are favorable to the recommendation of Governor Martin that the power of Government agencies to guarantee V-loans should be continued. Hence the inclusion of such a provision in the bill is expected as a matter of course. "It is the impression of the [FR] Board that this program has been helpful to the guaranteeing agencies in facilitating defense procurement and that it should be continued," Mr. Martin stated.

Likewise it was anticipated that Congress would amend the law, as suggested by the A.B.A. to clarify the power of the guaranteeing agencies to guarantee V-loans between the date of termination of a contract and the final settlement of the contract.

Delay Housing Loans

Another of the broad objectives of the Eisenhower Administration has been to make a thorough study of housing. As explained by HHFA Administrator Cole, the study would be two-fold:

"One area of study relates to the best type of organization for Federal activities in the housing field.

"The other field of exploration is that of present housing policies and programs in relation to our housing economy and requirements."

HAVE YOU SEEN

(1) A handy reference of names of Congressmen, committees of Congressmen, and cross references of Representatives and Senators and committees they serve on. Send 50 cents for this, *1953 Congressional Handbook*, to the Legislative Department, Chamber of Commerce of the United States, Washington 6, D. C.

(2) A carefully outlined discussion of Agriculture Secretary Benson's philosophy about Government aid to farm commodities. Write to the Press Service, U. S. Department of Agriculture, Washington 25, D. C., for a *General Statement on Agricultural Policy*, by the Secretary of Agriculture.

(3) The statement of President Leach of the Federal Reserve Bank of Richmond, Richmond, Virginia, on *Use of Discount Facilities*, for a discussion of the uses of discounts from FR banks under current conditions.

(4) An analysis of how national banks by Dec. 31, 1952, increased their assets to an all-time high. Write to the Information Service, Treasury Department, Washington 25, D. C., for release H-47, being the statement of L. A. Jennings, Acting Comptroller of the Currency.

(5) An analysis of the distribution by classes of lenders, of the record total of \$58-billion of mortgage debt outstanding at the end of 1952. Write to Room 740, Home Loan Bank Board, Washington 25, D. C., for copies of the report, *Estimated Mortgage Debt and Financing Activity—1952*.

(6) Statement by Albert M. Cole, Administrator, Housing and Home Finance Agency, outlining the nature of the studies he is making of the organization of housing agencies and usefulness of Federal housing activities. Write to the Housing and Home Finance Agency, Washington 25, D. C., for release HHFA-OA-No. 505.

(7) An exposition of the Eisenhower Administration's views about the special powers needed to continue the defense program, together with a description of the new defense mobilization agencies. Write to Arthur S. Flemming, Director of Defense Mobilization, Executive Office of the President, Washington 25, D. C., for an "Outline of the Testimony" by Mr. Flemming before the Senate Banking Committee March 25, 1953.

(8) A study by the Housing and Home Finance Agency and the Department of Labor of *Housing Cooperatives in the United States 1949-1950*. Write to the Superintendent of Documents, Government Printing Office, Washington 25, D. C., and enclose 65 cents.

(9) Secretary Humphrey's proposed administrative budget for the Treasury Department for fiscal 1954. Write to the Information Service, Treasury Department, Washington 25, D. C., or release No. H-72.

(10) Views of the Federal Reserve Board about the place of credit controls in a war emergency. Write to the Board of Governors, Federal Reserve System, Washington 25, D. C., for the "Statement by William McC. Martin, Jr., chairman, before the Banking Committee of the Senate, March 30, 1953."

(11) A copy of the bill to create a Small Business Administration. Write to the Senate Small Business Committee, United States Senate, Washington, D. C., for a copy of S. 1523.

It was also understood that Mr. Cole would formulate the Administration's housing policies in close consultation with key members of the banking committees, which have jurisdiction over this subject.

This is a case where circumstances are forcing a change in the time when this objective can be achieved. Mr. Cole indicated that it is hardly possible for him to progress sufficiently in this major study of housing and governmental housing agencies to be able to come forward with recommended major changes in time for enactment by Congress this year.

"Pending the results of the inclusive study I have outlined," he explained, "it is my judgment that no major changes in policies or programs should be undertaken. To do so would be a backward approach and make more difficult an orderly review and reappraisal of all aspects of housing policy."

President Eisenhower meanwhile appointed Guy O. Hollyday, president, Title Guarantee Company of Baltimore, as commissioner of the Federal Housing Administration. Mr. Hollyday succeeds Walter L. Greene.

Budget Balance

It now appears that the balancing of the Federal budget is an Eisenhower Administration objective which will have to be postponed, because of the difficulty of doing the job, until fiscal 1955 or later.

Treasury Secretary Humphrey, in a statement to the Senate Appropriations Committee, indicated that in his opinion defense spending would have to be cut \$4-billion before it would be possible to balance the budget in fiscal 1954.

President Eisenhower has indicated that, while he looks with great favor upon any economy which will save money without cutting the projected size of the defense forces, he is reluctant to trim those military objectives.

When Secretary of Defense Wilson tentatively proposed a reduction in military manpower, he immediately ran into the solid opposition of the Defense establishment. How much can be saved in military spending will not be known finally until near the end of, or after, the present fiscal year. Mr. Wilson may be able to make his recommendations soon.

(CONTINUED ON PAGE 136)

A World Economic Conference?

HERBERT BRATTER

FRENCH Premier René Mayer, when addressing the Washington Press Club recently, put forth the suggestion that an economic and monetary conference "one day soon" should be held. Others in Europe and here have made similar proposals. Belgium's Foreign Minister van Zeeland last October urged the OEEC to prepare the way for a US-European conference on trade and payments, one which necessarily would draw in the whole sterling and dollar areas. The very next day — it was during our presidential campaign — General Eisenhower said: "I believe that the wrecking of the London Economic Conference of 1933 was one of the great, though little understood, tragedies of our modern world. We must make a fresh start."

IN February the Economists National Committee on Monetary Policy advocated that the US call an international monetary conference. Congressman Jesse Wolcott lately has stated that he favors an international monetary conference before a return to the full gold standard. A year ago Canadian trade officials predicted a conference in 1953 among all sterling and dollar countries. Meanwhile, lesser conferences have taken place. There has been one Commonwealth economic conference in London, and another is in the offing. Britain has met with the OEEC countries. OEEC in turn has held discussions with Washington. Unofficial bodies have been meeting: the European League for Economic Cooperation in Brussels and the European Economic Congress in Genoa this year.

The nature of the free world's monetary-economic problem is evident enough. Most succinctly it is conveyed in the phrase—some call it an "imposter phrase"—the "dollar gap," which means the inability of nondollar countries to pay for all the dollar goods and services they desire. Wrapped up in this phrase are such facts as the inconvertibility of most European currencies, foreign-exchange and trade controls, discrimination against American and other exports, tariffs, Britain's economic decline, foreign aid, loans and investments, and the

like. None of these problems can be solved without active participation by the US. Their solution or temporary treatment, moreover, is conditioned by the fact that the UK is in but not of Europe and that the two view through very different glasses such important matters as making currencies freely interconvertible.

No formal proposal of an international economic and financial conference seems yet to have been made to Washington. Our change of administrations and the fact that the Republican regime has not yet formulated its views on international economic policies in full detail stands in the way. The protectionist-liberal schism at the top level of the Commerce Department is typical of the general state of American thinking. We can expect cautious renewal of the trade agreements program and customs simplification, but not much to make "trade, not aid" a reality.

THE State Department position is that a world conference would not serve a useful purpose until not only we ourselves, but others as well, are generally agreed on what should be done. A world conference should merely formalize what had been agreed to beforehand. The ITO preparatory meetings since the war have shown clearly the barriers obstructing world trade agreement. The long efforts to achieve currency stability and convertibility have shown how many and formidable are the *sine qua non*s to be settled. Even now the British are studying how the World Fund may be loosened up so as to form a more reliable and liberal currency reserve for its members.

While a world economic conference is not on the horizon, it could loom up suddenly. The Kremlin's peace drive "perhaps" may increase the likelihood, a high US official admits to us. Should an economic decline start to envelop the world, the demands for joint commodity stabilization might become clamant. If NATO comes unglued, if US foreign aid declines, if more of our stockpile needs are filled, if more surpluses develop — possibilities all — there may yet be another world conference.

One Thing Led to Another

By DICK ERICSON



For years Frank was a "nine-to-five-nose-to-the-desk" banker, devoted to one thing, his responsibilities at the bank. The bank reflected his efforts by slowly inching ahead.



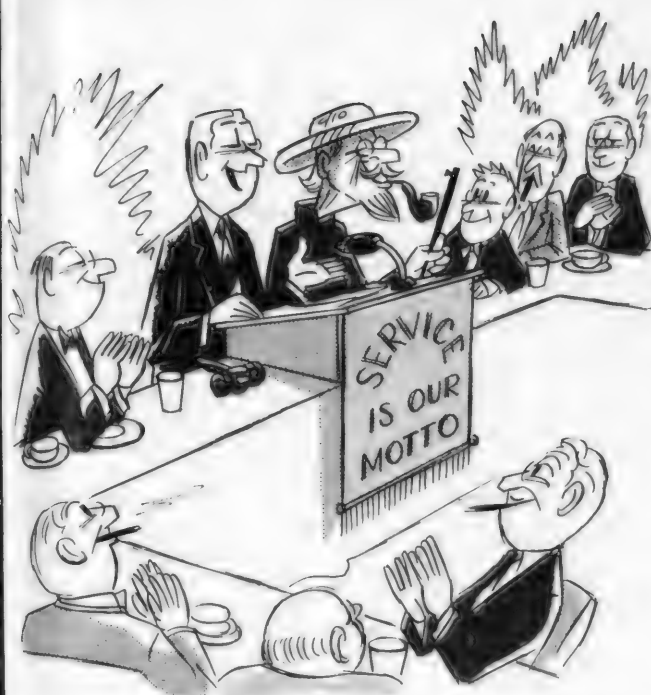
During one of Frank's regular evenings at the fireside he read about some plans of the local Board of Trade, thought he could improve on them, and decided to offer his advice.



Well, the board not only took his advice but made him chairman of the committee. This meant Frank had to delegate many of his responsibilities at the bank, something he had often thought of doing anyway.



It wasn't long before Frank's efforts toward making his community prosperous resulted in his being elected president of the Board of Trade. Businessmen brought him their problems and, much to Frank's delight, their accounts as well.



Noticing Frank's ability to organize, the members of his service club induced him to head the luncheon program committee. He turned out to be the best chairman it ever had, and he soon realized the members were banking with their pal Frank.



Having developed the reputation for being the most community-minded banker in town, Frank is now asked to act as treasurer for most of the local charity drives. But he never discusses banking at committee meetings or dinners.



Through his activity in civic affairs, Frank became aware of the fine work being done by the fraternal and veterans' organizations to which he had been only a dues paying member. Now he finds it pleasant to help out where he can, and enjoys occasional social evenings with "the boys." They enjoy dropping in at his bank.



One thing led to another. Frank is even more devoted to his bank. The many businessmen and individuals he has helped know this, and have helped Frank's bank to move ahead at a pace never before dreamed of.

METHODS and IDEAS

Personnel . . . Public Relations . . . Advertising

This department is edited by JOHN L. COOLEY of BANKING's staff.

Contacts with Servicemen

DOUBTLESS you have a program, even though an informal one, for keeping in touch with employees who are serving in the Armed Forces. But perhaps you'd like to hear what some other banks are doing.

BANKING asked personnel men in several big-city institutions for brief reports on their methods. Apparently the programs are rather successful, for a number said that large percentages of their staffers were returning when discharged.

Most of the banks canvassed send the house organ and write personal letters. Several include the absentee in the Christmas bonus. A few offer American Institute of Banking correspondence courses. (See "The A.I.B. in Uniform," page 61.)

Pre-discharge Reminder

One interesting idea came from a banker in the Midwest. At the

time the men or women entering the Armed Forces have their exit interviews with the personnel department, he says, "they are assured there will be a position waiting for them; that their seniority will continue during their absence; that in all probability there will be a salary increase upon their return; and that their fringe benefits will continue.

"We maintain," he explains, "a chronological file according to expected discharge dates. Approximately three to four months prior to a man's discharge our personnel director writes him a letter explaining that we are eagerly looking forward to his return. At this time our salary committee establishes a returning salary for the man. These pre-arrangements enable us to talk effectively with the individual when he or she returns to the bank.

"We are very pleased with our system and are happy that 75 percent of those entering service return to the bank."

33 Out of 41 Returned to Jobs

Service employees of a large eastern bank get a monthly letter,

written by a voluntary employees' committee, reporting news in the bank and including a summary of recent political, economic, and sports events. The staff magazine is sent regularly, too.

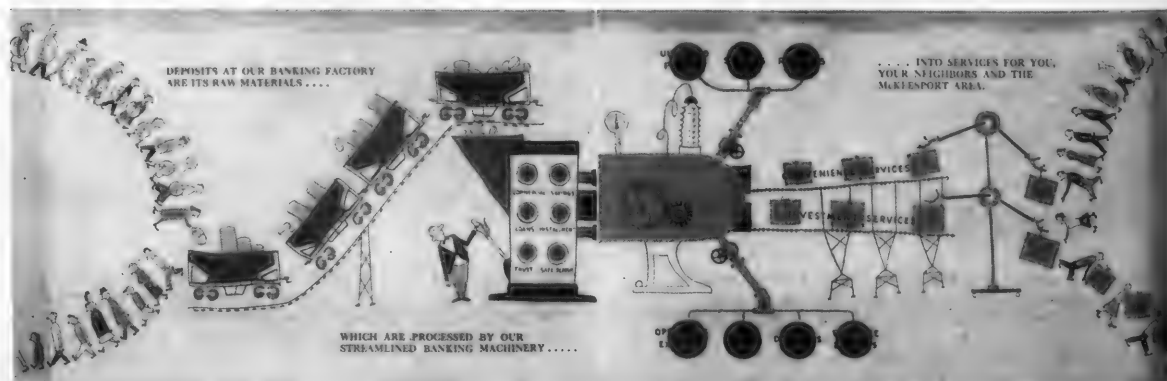
"Our servicemen unquestionably react most favorably to our program," this banker says. "We get many letters of appreciation and many visits during leave periods. Best of all, of the 41 men who have been released from military service within the last two years, 33 have returned to our employment."

"Correspondence the Mainstay"

A bank in New England encourages its servicemen to write. It says "a flow of correspondence is the mainstay of our contact." A personnel officer handles most of the letter-writing. Servicemen are also asked to come in for a visit, if they have time, during a furlough. At this visit a picture is taken which appears in the staff magazine. The men are also invited to lunch.

"Excerpts from letters are published in a servicemen's page in the magazine and at Christmas time

The First National Bank of McKeesport, Pa., entitled its 1952 report "The Money Factory." Four-color cartoons and simple text developed this theme: the "factory's" raw material is money, the banking departments are its machinery, "servicing human needs is our product," etc., Pictured is one of the two-page spreads



those on military leave receive a gift box from a women employees' club.

"During the exit interview we also mention that A.I.B. correspondence courses are available, with the cost borne by the bank. At the present time only a few staff members are taking such courses.

"Based on our observations, the boys react very favorably to our efforts. The number returning from World War II was over 80 percent of the total that left us for service. The same percentage is applicable to the Korean war. The boys' letters indicate an interest in what the bank is doing and they seem to enjoy writing."

100 Percent Return

Another New England bank has had a 100 percent return of employees. Its contact program includes publication of their letters in the house organ, copies of which are mailed to them monthly.

"In some cases," says this institution, "we have had letters of appreciation from servicemen and their families for keeping in touch with them."

One Mid-West bank is confident that its service people will come back to their jobs. "We have noticed," it says, "that they stop in and visit us whenever they have time."

The banks in this city send servicemen the staff magazines and write personal letters.

Most of the banks in a southern city have a high percentage of returnees, even though there is "little established policy for keeping in contact with them." One bank gives each man a subscription to a national magazine.

Products and services of Minneapolis' 33 Junior Achievement companies were exhibited in the lobby of the First National Bank. In the picture Barbara Burch shows a bottle of her firm's window cleaning fluid to King Bennethum, assistant cashier of the bank and JA treasurer, and W. J. Powell, president of Minneapolis, JA



The Boys Like Letters

"Frankly," wrote an eastern banker, "it seems that correspondence with their former co-workers goes over better with the boys in service than any other medium. We talk with our employees when they leave and mention that, if they care to take any A.I.B. courses, we would be glad to make the arrangements and pay tuition. Invariably the answer is, 'If I feel so inclined, I'll let you know.'"

One banker in a large city covered the programs of eight banks. All send their house organs, write letters periodically, mail a Christmas remembrance; one contributes a newspaper subscription; one provides an annual salary increase for the man's job.

Bank Publishes Newspaper Written by Pupils

THE COMMUNITY SAVINGS BANK of Rochester, New York, is publishing a school savings newspaper written by the pupils of a grade school.

Bank Notes, an eight-page quarterly, was the idea of Albert B. Hooke, assistant secretary at Community. Teachers and youngsters took over the project enthusiastically.

Groups from each grade plan, write, and are responsible for a column of news in each issue. They arrange newsworthy parties for special occasions like Valentine's Day, dress up for the festivities, then schedule the bank's photographer to take their pictures. They also write the stories for *Bank Notes*.

At the bank, copy is typed (if necessary), art work is inked in for the multilith mats, and photos are labeled and pasted up. Then the issue is printed and distributed to the children. Most copies, of course, go home.

When the venture started, early this year, the Community held a pupils' contest to name the paper. More than 40 titles were submitted for prizes presented by President Charles W. Carson at a special assembly.



Left, Rochester 6th graders interview a new classmate for *Bank Notes*

Right, a primary grader's "piece for the paper"

MANNERS

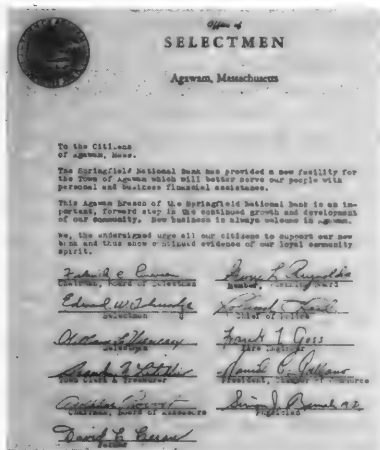
MY MOTHER AND FATHER TRY TO TEACH ME MANNERS AND I TRY MY BEST TO DO THEM. HERE ARE SOME OF THEM. THE FIRST THING THEY TELL ME IS TO SAY PLEASE AND THANK YOU. THEY TELL ME NOT TO TALK WHEN SOME ONE ELSE IS TALKING AND NOT TO SHOW OFF TO TAKE TURNS AND NOT TO PUSH AND PULL AND NOT TEASE PEOPLE.

Sally Jackson

Town Leaders Urge Public to Support New Bank

HERE'S one that was novel to us. When the SPRINGFIELD (Massachusetts) NATIONAL BANK opened a branch in the new shopping center in suburban Agawam, the town fathers and other civic leaders signed a letter, for publication, urging public support of the new bank.

Addressed "To the Citizens of Agawam, Mass.," the letter was written on official stationery and printed as part of a full-page newspaper advertisement. It bore 11 signatures.



A word of explanation seems necessary; otherwise you may think the bank put "pressure" on the town leaders. It didn't.

"The real reason they were so cooperative," says Wallace Camp, chairman of Springfield National's executive committee, "was that the bank had done what they thought was a worthwhile service to the community prior to opening time. We had issued a crime prevention booklet, 'Guardians of Your Property and Welfare,' [reported in BANKING] and sent a copy to every home in town. We thus established a feeling of cooperation between the bank and Agawam residents. We had their goodwill and they knew we were community-minded. So the village met us more than half way when we started our branch."

Incidentally, the branch bank was established before the shopping center was completed, and was the first unit in the project to open its doors. Business was brisk from the start.

"Frankly," says Mr. Camp, "we think the police booklet had a very large part in the fine relationship

that exists between the bank and the people of Agawam."

Recruiting High School Girls for Bank Jobs

THE HANOVER BANK of New York has published an attractive two-color picture-story booklet designed to interest high school girls in working for the bank.

"Picture Yourself in a Job Like Mine" uses 16 photographs, with captions totaling about 200 words, to make its point: the job opportunity awaiting the student. The

model for the photo series is a Hanover employee, and it's her job experience, from the first interview to first promotion, that's related.

Features covered include the bank's dining room facilities, work discussions, pay day, vacations, and recreational opportunities. The last page sums up "why you'll be happy in a job like mine": good starting pay and periodic merit increases; five-day week, paid vacations and all legal holidays; hospitalization, retirement and insurance benefits; tuition refund plan for study, in-

(CONTINUED ON PAGE 106)

Safe Deposit Procedures

JAMES A. MCBAIN

MR. MCBAIN is vice-president of The Chase Safe Deposit Company, New York City. His comments on this subject, taken from a memorandum prepared for the State Legislative Council of the A.B.A., started in BANKING'S February issue.

Personnel

WHERE there is sufficient volume of business to require full-time personnel, the person or persons so selected should be efficient, careful, and capable of exercising mature judgment. He should be trained and made to realize the responsibility of his position. He should recognize a situation where snap judgment cannot be made and where it is advisable to confer with officers and possibly counsel. He should not allow himself to be rushed into a quick decision on a questionable request for access. He should realize that he need not "refuse" access but he can always "defer" granting a request for access in order to be allowed a reasonable time for consultation. It is advisable to refrain from identifying him as "custodian," since the word has a connotation of custody of property or bailment.

Some banks may not have a volume of accesses and boxes to warrant the employment of a full time vault clerk. Where the responsibility is divided, all charged with vault operations should meet the above requirements.

Care of Keys and Locks

A careful system of protection for keys and locks is important to protect the bank, and is for the benefit of the customers as well as the bank. If properly explained, it will create and maintain goodwill. The care of keys is something about which a customer is especially concerned since his key is the

symbol of safety for his valuables. A carefully operated key system benefits the employees since it precludes a charge that any employee at any time controlled a key to a customer's box.

Keys to unrented boxes should be kept under joint control. It is dangerous to allow one employee to have custody of such keys, and it is unfair to the employee, the customer, and the lessor.

It is often necessary to send keys and/or locks to an accredited safe or lock company. Shipments of new locks are also received periodically. These should be in the custody of at least two responsible employees at all times—that is, from the time they are removed from the key or lock safe (which should also be under dual control) until they are shipped to the safe or lock company, or vice versa. Individual responsibility for keys or locks must be avoided at all times. It follows that locks affixed to doors of unrented boxes should be under joint control so that no one employee can open them. Key and lock work should be performed by an accredited safe or lock company or its equivalent. To further the continuance of joint control it is important that a proper record be kept of the dispatch or receipt of all keys and locks.

A bank should never willingly come into the possession of keys to rented boxes. The lessor should not accept lessee's keys for safekeeping since by so doing it then has full control of access. Bank examiners may criticize instances of such custody.

Keys should not be left in the safe door while lessee goes to a coupon room. The keys should always be under his observation. The safe door should be locked shut when the customer goes to a booth. This is especially important if the door has a combination lock.

The A.I.B. in Uniform

A COUPLE of bank personnel officers were having lunch, and, believe it or not, before the fruit cup had disappeared they were talking shop. You know—the manpower shortage, draft toll . . .

"When our boys leave for service," said one, "we suggest maybe they'd like to take an American Institute of Banking correspondence course, at our expense, while they're away. Several are doing so."

"H-mmm," said the other. "Why haven't we thought of that? I'm ashamed of myself. It's a good idea, from the bank's standpoint as well as the men's. But I'm wondering: Will we get these fellows back?"

The first banker smiled. "Listen, we know darn well that when our men (I still call 'em 'our men') say goodbye to this police action they'll come to work for us again, provided they decide to stay in banking. . . . Do you think," he chuckled, "that you could get 'em'?"

"Well, I'd try," laughed his companion. "We'd certainly go after a guy who has taken on Negotiable Instruments and Commercial Law for a couple of years, along with K.P. and Guided Missiles."

"Even if they don't come back," resumed the other, "we'll feel that we haven't lost a thing. We've made a smart investment in goodwill, personnel relations, public relations—and good citizens."

Servicemen Study by Mail

The American Institute of Banking, you see, is in this defense business, too. At present, a sizable number of servicemen on leave from banks for duty with the Armed Forces are taking A.I.B. correspondence courses. Their lessons are mailed to them from the national office in New York—and back come the papers in fat envelopes postmarked this or that A.P.O., F.P.O., or training camp. The girls are represented, also. Two of them carried their correspondence work to Germany when they joined their husbands.

During World War II the Institute's correspondence school served several hundred soldiers, sailors, marines, and airmen who continued their professional educations and kept alive their interest in banking.



Today's demand on manpower is smaller, and the bankers in uniform are less numerous. But the A.I.B. feels that the *opportunity* is proportionately just as great, both for the banks and for the students.

Discharge Day

Some of the Armed Forces bankers taking these courses were members of Institute chapters or study groups when they went into service, and wanted to continue the work that earns the Standard Certificate. Others find themselves with time on their hands—and what better way to use it than in purposeful reading and writing? Many, with an eye on Discharge Day, plan to return to their banks with the improved know-how that is preparation for a better job.

The Institute makes it as easy as possible for bank servicemen to carry on with their studies. It has ruled that if a student entering the Armed Forces has attended at least 50 percent of the class sessions in a chapter or study group, he will be permitted to take the final examination and, on passing, will receive credit for the course. If he has finished less than half the course in the classroom he may complete it by correspondence. Or he can take a course entirely by this method.

Service people have their final exams under supervision, usually an officer's. In most instances the cost

of the courses is borne by the banks.

For a closeup of these farsighted, temporary employees of Uncle Sam, BANKING went to the Institute's national office files and read some of their letters. It was a rewarding bit of exploration.

For instance:

"Several weeks after putting to sea," said a letter written on shipboard by a lieutenant, junior grade, U.S.N., "I found that my assignment on this ship leaves me with some spare time. Therefore I sent for my Negotiable Instruments correspondence course with the thought of finishing it. I should have all the lessons completed by the time we get back to the States.

"In case I wish to take another correspondence course upon the completion of this one, I request, under the circumstances, that the requirement that I obtain permission from the local A.I.B. chapter be eliminated. Please give me a ruling on this point." (The chapter requirement was promptly waived.)

He Plans to Return

Another man, who in his bank days was an Institute chapter student, wrote:


"I realize that these courses could be of great importance to me in my future years at the bank. Therefore I enrolled in two of the courses.

"However, this was cut short by the Armed Forces in which I enlisted. It's a four-year enlistment—the way I thought I could best serve my country during the present world crisis. But upon completion of my enlistment I wish to return to the bank and continue my career.

"I do wish, however, to have a better knowledge of the bank and its functions when I return. When I was home on furlough I was informed that the A.I.B. offers correspondence courses. Now, due to the fact that last year's courses were cut so short, I never did have a chance to finish them. So, if it is at all possible, I would like to enroll again in the A.I.B. with the same two courses." (He did.)

"Would it be possible for you to send me the complete portfolio of lessons and questions for the cor-

(CONTINUED ON PAGE 148)



Scale model of early Recordak Microfilmer recalls pioneering days for Recordak officers; left to right: George S. Sackett, Treasurer; John K. Boeing, President of Recordak; George L. McCarthy, Chairman of the Board and "father" of modern microfilming; Vice Presidents George C. McMahon and Frank L. Hilton, Jr.

A thousand and one uses, today, for the unique photographic process that was designed originally to protect banks against fraud.

Report on 25 years of Microfilming Progress

Little did George L. McCarthy realize the scope of his invention when the first automatic microfilmer was installed in a New York bank in 1928.

The sole purpose of this machine—designed in cooperation with the Eastman Kodak Company—was to counter fraudulent claims; to provide a photographically accurate and complete film record of all checks drawn on the bank. A record that would help depositors, too, should their payments be questioned by outside sources.

But the way this amazing new machine performed suggested greater use from the start: documents were recorded as fast as they were dropped into the microfilmer . . . and for a fraction of a cent apiece. *Why then* the costly and tedious operation of describing by hand each transit check?

Microfilming would eliminate all of this—thus the Recordak Transit System made its bow; was followed closely by the Recordak Single Posting System, which eliminated a 100% duplication in bookkeeping. Other departments in the bank, too, were quick to find new short cuts, new savings.

Banks everywhere . . . and then business after business realized that manual record keeping just could not match the speed, accuracy, and economy of Recordak Microfilming.

With it, retail stores were able to bill "charge account" customers for a fraction of the former cost; railroads ended expensive freight-car delays at junction points; oil companies discovered that microfilm copies cost less than carbon copies. *And so it went!*

Specialists in microfilming only
—from 1928 - 1953

How could microfilming efficiency be increased . . . and increased . . . and increased? How could businesses of every type and size use microfilming most profitably? To find the answers to these questions and related ones, Recordak has specialized in *microfilming only*.

As a result, improvements were incorporated in Recordak Microfilmmers in continuous succession. New models were designed to meet varying requirements . . . to enable the small user to get savings proportionate to the largest one. Revolutionary technics were introduced . . . automatic feeders increased microfilming speed to over 500 documents *per minute* . . . number of images per roll of film was quadrupled . . . film quality and uniformity were raised to ever higher standards.

Vitaly important, too, was the growth and refinement of Recordak's film processing facilities. Laboratories with the latest high speed professional equipment—and staffed by specialists—were established to provide fast, flawless processing of film records. And Recordak's Service Organization was expanded step by step to serve Recordak users from coast to coast. Here, again, specialization has paid off.

And all the while, Recordak's Field Staff—with an ever-increasing number of case histories at its finger tips—was pointing to economies previously unseen; bringing simplified routines—in addition to extra protection and tremendous space savings—to 65 different types of business . . . thousands of concerns. Recordak Corporation (Subsidiary of Eastman Kodak Company), 444 Madison Ave., New York 22, N. Y.

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and its application to banking systems**



Kodak's famous Hawk Eye Works where Recordak Microfilmmers, lenses, and accessory equipment are manufactured. Recordak Microfilm is also made by Kodak . . . to exacting, uniform standards.



Recordak's 26 conveniently located Processing Stations process films the same day they are received. High speed, professional equipment is manned by experts.



How can you use microfilming most profitably? Your local Recordak representative can point to the experiences of 65 different types of business . . . thousands of concerns.



The Recordak Bantam Microfilmer . . . with 40-1 reduction ratio, highest available today.

The reason why banks of every size get comparable savings—Recordak Microfilmmers are designed for varying requirements.



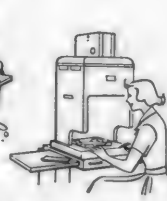
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The Recordak Commercial Microfilmer



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THE FAMILY DOLLAR

EARL S. MacNEILL

Vice-president, Irving Trust Company, New York

Factors in Estate Planning: Life Insurance

THE "awful bet" of life insurance becomes, with each passing year, a more important factor in estate planning. It can *build* estates and it can *save* them from tax-ruination.

Estates can be acquired in various ways. Inheritance and marriage are pleasant ways, but one cannot choose his ancestors and love does not always follow the dollar sign. Some strike it rich in oil or invent a machine or process, write a best-seller or "angel" a sell-out play. But to the rank and file of us there are three ways: slow saving—after taxes—out of salary; building a small business into a large one—and this has advantages, since earnings to a reasonable extent can be diverted into reserves and programs of expansion without severe tax penalty; and the third is life insurance.

Life insurance is the only means whereby a substantial instant estate can be acquired with one down-payment. The "instant," of course, is the moment of death.

IN the process of estate planning it is the duty of the planner to point out instances of under-insurance. The average salaried man—or small-business-man—will not leave enough to provide adequately for the maintenance of his wife and children. But he can leave enough if he will buy sufficient insurance. This can be relatively inexpensive insurance—combinations of "term" and "ordinary"—while he is building otherwise. Often such a suggestion as this is the more effective when it comes from the bank officer rather than the life insurance man, who has a cash stake in the advice.

Such advice, whoever gives it, most frequently comes in the category of the obvious—requires no skill beyond simple arithmetic. The greater ingenuity resides in the application of life insurance to the saving of estates from the atom-bomb effects of taxation. The metaphor is not simply a play for modernity; the atom bomb has three effects: the direct blast, a sucking-in of air to

the point of explosion, and radiation. The heavy tax itself is the direct blast; losses through forced liquidation to pay such a tax where an estate is short of quick assets may be likened to the in-rush of air; deprivation of the beneficiaries is the radiation; this is the end result, and the most horrible for the husband and father to contemplate.

Unfortunately, under present laws, the application of life insurance to the payment of taxes or the alleviation of their effects is usually of itself a fairly costly process. If life insurance is payable directly to an estate, it is subject to estate taxes like any other asset of the estate. Likewise it is taxable—federally, and in most states, to more or less degree—if payable to a named beneficiary so long as the decedent paid the premiums, directly or indirectly, or retained such "incidents of ownership" as the right to borrow, to take down cash values, or to change beneficiaries. So the remedy adds usually to the disease: Insurance is bought to pay estate taxes but the taxes are increased; consequently only a portion of the insurance serves its intended purpose. There are but few ways in which life insurance can be utilized to pay an estate tax without swelling the tax. Essentially *some one else* must own the insurance and pay the premiums.

SOMETIMES the wife can do this; she then can collect the proceeds and make them available to the estate through loan or through purchase of "slow" estate assets. But she must have such resources of her own as will refute any claim which might be made that the husband was paying the premiums indirectly.

A similar opportunity exists in the case of a partnership or small incorporated business, provided there are two or more associates in the business with resources adequate for the following undertaking: Each will insure and keep insured the lives of the others in amounts sufficient to assure performance of a contract to buy the partnership or stock interest of the others at a

price pre-agreed or determinable by pre-agreed formula. When one dies, then, his presumably nonliquid interest in the business will be bought by his associates, who have been put in funds through receipt of the insurance proceeds. The decedent's estate, through quick sale of his interest to his former associates, will have ready cash for all tax needs.

THERE is a further rather interesting development in the use of life insurance to defray estate taxation which has come as a consequence of the marital deduction.

Too often the marital deduction is thought of as a total saving, whereas it is in large part merely a deferment. That is, a man may cut his taxable estate in half by setting up half in one of several ways prescribed by the law and regulations. The result, of course, is to cut his estate's tax by more than half, since that segment which qualifies for the marital deduction comes, in effect, out of the higher tax-rate brackets of his estate. But it is not always remembered that the half which qualifies for the deduction becomes taxable in the wife's estate—usually at lower rates, it is true; but it can be a sizable tax, nevertheless.

Now a man doesn't often think of insuring his wife; he doesn't look to her for support and he doesn't want to profit by her death. But here is an opportunity to benefit their children or

other ultimate heirs. The husband, having earning power, can safely buy and maintain insurance on his wife's life without risk that on her death it will be taxed in her estate. If the husband is the first to die, the insurance (taxable in his estate only to the extent of its cash surrender value) will be kept in force by a nonmarital residuary trust under the husband's will, which may be for the lifetime benefit of the wife or for the immediate benefit of the children. There's an income tax advantage here, incidentally, for the amount of the premium, being income undistributed to any person, will be taxable to the trust as an entity—and presumably, as such, a low-bracket income taxpayer. On the wife's subsequent death, the proceeds will be paid into the trust which had been carrying the policies; they can be made available to the wife's estate, if necessary, through loan or otherwise for the payment of taxes; they will *not* be subject to taxes in the wife's estate.

IF the order of deaths should be reversed, then upon the wife's death the proceeds would be payable to the husband. His estate would be increased, of course—but if he kept the increase liquid there would be that much advantage if his estate otherwise consisted of assets that might suffer by forced sale.

Something to think about here—with proper legal and insurance advice.

Definition: Per Stirpes

PEOPLE for whom wills are written get more fun—if that is the correct word—out of the phrase *per stirpes* than any other of the Latinisms that continue to besprinkle legal literature.

Literally it means "through the roots." It takes an illustration to define it. Henry Jones provided in his will that his estate should be distributed in equal shares *per stirpes* among his descendants. When Henry died a son, Albert, survived him and Albert had two children. There was another son, John, who had died; his three children were still living. If Henry Jones had directed that distributions be *per capita*—that is, per head—then his residuary estate would have been divided into four equal shares; Albert would have received but one of them and each of John's three children would have received a full share. But fortunately for Albert's family the magic of *per stirpes* cut the estate first into halves; one half went to Albert and the other half was divided into thirds and those were distributed among John's children. John was the "root" through which the share passed that would have gone to him if he had lived.

Normally this is the way a parent would wish his estate distributed. Henry would scarcely have wished John's children to have a quarter each, now, while Albert's children eventually would have to share a quarter between them. Particularly if the grandchildren were relatively young so that he would have little to go by in judging their merits. It seemed fairest to treat the two subdivisions of his family alike.

IT has been suggested by some lawyer-writers, however, that there has been considerable over-preoccupation with *per stirpital* distribution; that indeed in many cases it may be the lawyer's concept rather than his client's.

These writers would take, for example, a rather elderly person whose grandchildren have reached maturity. Let's assume Henry Jones to be such a one. His one living son, Albert, is well along himself, and well off, also, so that the old gentleman isn't thinking of adding to his son's taxable estate. He will eliminate an intervening estate tax by having his entire estate go directly to his grandchildren.

Under these circumstances is there any partic-

ular reason why Henry should give Albert's children each a quarter of his estate (half of Albert's half) and each of John's children but a sixth (a one-third of John's half)? Obviously there is not. In fact, all reason and justice point the other way. Suppose John had left five children; they would each get only one-tenth under a *per stirpital* distribution and if Albert perchance had limited himself to one scion that opulent offspring would now be revelling in half of his grandfather's estate.

So older people well can pause, look over the field of their grandchildren, weigh their circumstances and characteristics, make division among them with justice and wisdom. They may still find the principle of *per stirpes* to be the fairest

THIS DEPARTMENT is addressed not only to bank personnel but to directors, and to the wives and families of both. Included in this section are short articles relating to estate planning and trust services, to economics and investments, and to taxes that affect the family.

It is hoped that these pages comprise a section of BANKING that you will want to take home for family reading.

and most practicable but at least they should know that it is not inevitable; they are not required to divide their property in this way if some other mode of distribution better suits their sense of rightness.

Tax Hint-of-the-Month

THE U. S. Circuit Court of Appeals has just reminded us that bureaus of the Government cannot make laws, nor can they interpret laws by regulations that are arbitrary and unreasonable.

Remember the "Clifford" rule? You would, if you were a taxpayer in high income tax brackets with a surplus of securities that you wanted to set up in a trust for a relatively short time, so that income might be removed from your high brackets of tax to the lower brackets of a person less tax-vulnerable—some junior member of your family, perhaps. You didn't want to cut all strings loose, so you provided that at the end of five years the trust should terminate and the principal revert to you. Unless you were satisfied with the use made of the income and the behavior of the recipient, in which case you might renew the trust for another term; or you might even make it permanent if you were sure by then that you wouldn't ever need the trust property. Call it a tentative trust.

PERHAPS something like this went on in the mind of an unforgotten Mr. Clifford, whose affairs the U. S. Supreme Court contemplated in 1940. Mr. Clifford had put securities in just such a 5-year trust; income might be paid currently to his wife or accumulated for later distribution to her, as Mr. Clifford might decide; he made himself trustee of the trust and as such retained broad powers to buy and sell, to vote stocks held and otherwise to deal with the trustee property. All told, said the Supreme Court, Mr. Clifford remained in substance the owner of the property, so that he should be taxed on the income of the trust as if it were his own.

The trouble with what lawyers call "bad" cases is that they tend to make "bad" law. Following the Clifford decision, the taxing authorities took

each factor of control—the short term, the reversion of principal, the dominion over investments, and said, "This alone makes a trust taxable to its creator."

Many cases then were taken to the courts, but the cases were not all factually alike and great confusion ensued. In 1946, the Bureau of Internal Revenue, resolving the confusion generally in its own favor, issued the famous "Clifford Regulations." Among other things, these regulations stated that the income of a trust would be taxable to the maker of the trust, though payable to someone else, if the trust principal would come back to the maker within 10 years from the making of the trust. No other element of reserved control need exist; this was enough; this was it.

AND so the matter stood, until two sisters, one a Mrs. Clark, established 5-year trusts to aid in building a home for the aged. The building fund would get the income for five years, then the principal would revert to the respective sisters. They reserved absolutely no control over the management of the trusts. There was some arithmetical uncertainty whether a later renewal of the trusts operated to set them up for a 9-year term or a 10-year term; in any event, the Commissioner claimed they were less-than-10-year trusts and pin-pointed the issue right down to that particular item in the regulations.

He lost in the Tax Court, but the Tax Court's reasoning was mild; it took the Circuit Court of Appeals (in the Seventh Circuit) to set off the blast.

It was "unreasonable and arbitrary . . . unconstitutional . . . so unfair as to be shocking" to create a conclusive presumption of taxability based only on the prescribed duration of a trust. The Clifford case itself had held that ". . . no one fact is normally decisive but that all considerations and circumstances of the kind we have mentioned are relevant . . ." Even Congress, said the Circuit Court of Appeals, lacked power to create an irrebuttable presumption so drastic.

A Successful, 10-Weeks Small Businessmen's Course

The author is assistant vice-president, Land Title Bank and Trust Company, Philadelphia.

W. W. DELAMATER

THIS is a story of what can be accomplished when bankers, educators, and businessmen cooperate in a project for the mutual benefit of all three groups.

Many thoughtful bankers have been greatly concerned, when dealing with small businessmen, over the lack of knowledge of some of the basic principles that are essential to the success of any enterprise, whether small or large. Many small businessmen have been aware that these principles, if applied to their businesses, would be of great assistance in strengthening a weak business or making a successful one even stronger and more profitable. Educators are reaching out into the field of adult business education and are accepting with alacrity any opportunity that will serve the business community.

Several weeks ago, Carroll A. Gunderson, deputy manager of the American Bankers Association, and H. C. Rountree, dean of Community College of Temple University, discussed

with William F. Kelly, chairman of the Small Business Credit Commission of the American Bankers Association, the advisability of a short course for the owners and managers of small businesses. From the beginning it was agreed that it was a task that required cooperative effort. It would have to be an unselfish approach to the problems of small businessmen. It would require sound planning, aggressive promotion, and excellent facilities. There should be no patronizing attitude, no business solicitation or selling of individual banks or banking. An explanation of the idea and ideals brought a quick acceptance from Warren H. Woodring, secretary of Group I, Pennsylvania Bankers Association, to head a committee to plan the course.

Five bankers and Dean Rountree formed the small committee to select subjects, speakers, and discussion leaders. After a few conferences, the following program was agreed upon:

*Organizing a Business
Personnel for a Small Business
Finance—Essential Capital
Finance—Sources of Capital
Taxes
Competitive Pricing and Selling*

*Advertising
Purchasing and Inventory Control
Bookkeeping—Costs
Review*

The speakers and discussion leaders were well diversified. An attorney, three certified public accountants, three bankers, two businessmen, an advertising agency executive, and three educators made up the faculty. It was determined to schedule classes one evening a week for 10 weeks.

Temple University engaged the speakers and discussion leaders as special lecturers and printed the announcements. The larger Philadelphia banks mailed these announcements to specially selected lists of the small business concerns on their books. The Chamber of Commerce and the Junior Chamber distributed several hundred folders.

The results? The small businessman is benefiting from the experience of a selected group of practical men. The bankers of Philadelphia are benefiting from a better-informed group of small businessmen, and Temple University is delighted with a new class of 190 businessmen. It has been a profitable experience for all.

State Bankers Associations' "Visit Washington" Program

SINCE World War II, group visits to Washington by representatives of various state bankers associations, including savings banks associations, for the purpose of getting better acquainted with officials of banking supervisory agencies and members of their congressional delegations have become popular. The idea was originated by the Illinois Bankers Association and has been emulated by about 25 other state bankers organizations, many of which send representatives to the capital every year. The practice is encouraged by the A.B.A., whose Washington office assists in planning their visits and making arrangements for the visitors, and by the FDIC, Federal Reserve Board, and the Comptroller's Office. The FDIC has been especially assiduous in promoting this program.

In 1953, up to this writing, eight state bankers associations have sent get-acquainted groups to

Washington and eight others are scheduled to come before the end of the year. From three states savings and commercial bankers will make separate visits this year.

The typical visit lasts for three days. On the first day's schedule there is generally a morning program at the FDIC, at which officials of that agency address the visitors. This is usually followed by a luncheon tendered by the FDIC. That afternoon and the next day are devoted by the bankers to visits with their Congressmen and Senators. At the end of the second day there is a dinner, at which the visitors are hosts to the members of their congressional delegations and top men of the three supervisory agencies.

The third morning is generally devoted to a visit to the Office of the Comptroller of the Currency, viewing slides on the budget and Savings Bonds, meeting the Secretary of the Treasury or his deputy,

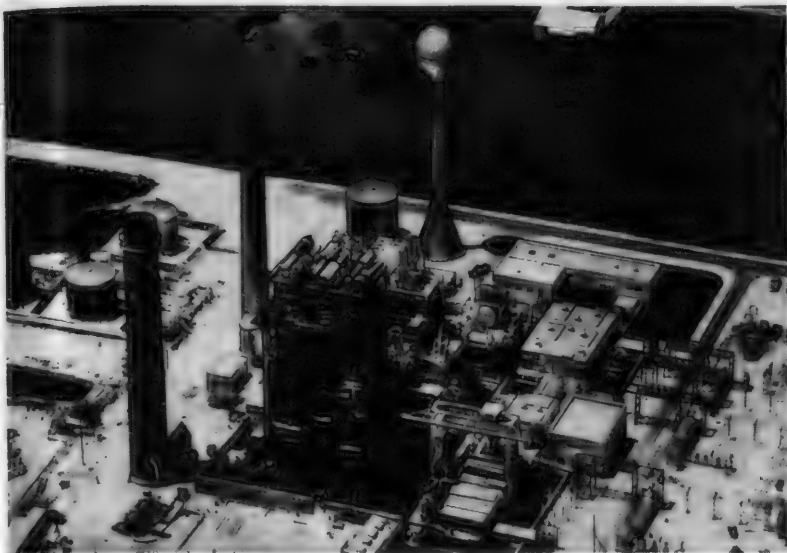
etc. The visiting bankers are then entertained at luncheon in the dining room of the Federal Reserve Board, after which they adjourn to the board room with the governors for a visit during the afternoon.

Generally the FDIC programs for these groups feature some main theme, such as capital ratios, surety coverage, trends in bank earnings, bank audits and internal controls.

The Comptroller and the Federal Reserve Board do not usually present a planned program. The choice of topics for discussion is generally left to the visiting bankers and views are exchanged informally on those chosen.

That these get-acquainted visits are deemed beneficial is indicated not only by the fact that many of the participating state associations come back year after year, but by thank-you letters written from home.

—H. B.



FLORIDA POWER & LIGHT COMPANY'S Cutler Steam Electric Station in Miami . . . one of its many power plants serving dependable and low-cost electricity to the people and industries of the State. Designed and constructed by EBASCO, this plant was acclaimed by LeCorbusier, famous French architect, as "an outstanding example of esthetic expression in engineering."



MODERN MERMAID strikes traditional Florida pose near smokestack of the Cutler plant. The Cutler plant was designed (as are all of Florida Power & Light's new plants) to preserve the scenic beauty of Florida.

Great Climate for Business, Too!

Industrial growth in Florida finds Ebasco on the job

Long one of America's most popular vacationlands, Florida has been making swift progress along industrial lines in recent years. Nobody knows that better than EBASCO, for this firm of engineers, constructors, and business consultants serves large and small companies in the Peninsula State—just as it does throughout the United States and the World.

Pictured here are a few typical EBASCO projects completed in Florida which illustrate the many different types of jobs EBASCO can handle from start to finish. They also illustrate the wide diversity of business firms which call upon EBASCO for an equally broad range

of services. Because EBASCO integrates many specialized services and many skilled men into a single smooth-working organization, it is equipped to do an entire job, or any part of it.

If you need a new plant . . . or want to improve your present facilities . . . or have a special business problem of any kind, it will pay you to learn more about EBASCO's services. We have a booklet describing our services called "The Inside Story of Outside Help." If you would like a copy, write to: Ebasco Services Incorporated, Department L, Two Rector Street, New York 6, N. Y.



FROZEN ORANGE JUICE CONCENTRATES is another rapidly expanding industry in Florida. Minute Maid Corporation, a leader in the field, engaged EBASCO for engineering, space utilization and insurance services. The Minute Maid plant shown above is typical of many industrial plants which operate on electric power supplied by Florida Power & Light Company.



CATTLE are big business in Florida. EBASCO designs and constructs transmission lines for Florida P & L which furnishes electricity to cattlemen and farmers.



ROADSIDE FRUIT JUICE STANDS and miles of citrus groves are constant reminders of Florida's citrus industry. EBASCO made an economic study of this industry for a prominent investment firm.



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Tractors with the engine set to one side are built that way to give the driver a straight-ahead look as he cultivates a single row of tobacco or other tall crop. It also allows a lot of clearance for the spreading tops of tender plants. This new tractor . . . the Case Model "VAS" . . . now adds 2-pow capacity to one-row design. It doubles a man's capacity in the most tedious, most costly of tillage tasks.

Like all eight models of the low-cost "VA" Series, the new "VAS" Tractor opens the door of a brilliant new way to do farm work—Eagle Hitch Farming. It brings one-minute "hook up sitting down" to plows, harrows, other rear-mounted implements. It brings the Utility Carrier that helps with farmstead chores even as Eagle Hitch Implements hustle field work. And, of course, it brings the long-lived economy for which Case Tractors are known.

Machinery to make precious man-hours produce more is a proved answer to the problem of high costs which confront farmers and concern their bankers. Case long has encouraged customers and dealers to place the financing of farm equipment purchases with local institutions. J. I. Case Co., Racine, Wis.



CASE



SERVING FARMERS SINCE 1842



Twenty-five states were represented by 326 bankers at the Country Bank Workshop in Louisville, Kentucky, sponsored by the A.B.A.'s Country Bank Operations Commission. A goodly number of the delegates are shown in the above photograph

News for Country Bankers

This department is edited by
MARY B. LEACH of BANKING's staff.

Country Bank Operating Project

FOUR major projects for the service of country banks will occupy the attention of the Country Bank Operations Commission of the American Bankers Association in the coming months, by decision of the members of the Commission made at their annual mid-year meeting in Louisville, on March 18-19. These projects are in the fields of savings department operations, service charges, salaries, and audit control.

One of these, the nationwide cost study of the savings departments of commercial banks made in co-operation with the Savings and Mortgage Division of the Association in 1952, will enter its second phase. It will be turned over to the banks for their continuing use. This study was made for the purpose of enabling banks to ascertain their costs in order that they may determine intelligently what rate of interest they can pay on savings. More than 2,200 banks participated in the study, the results of which were sent to the participating

banks, not only helping them to determine their costs but also making it possible for them to compare their own percentage of savings deposits to all deposits, number of accounts, investment policies, income, expenses, activity, profit or loss, etc., with those of other banks in their own and neighboring states. The Commission is now preparing a guide with illustrated forms, providing a step-by-step procedure which banks may use to do this job themselves in the future. When the guide has been completed, it will be made available to the smaller banks.

In 1946 the Commission published a manual on checking account service charges for country banks. As a project for this year, the Commission proposes to build a new manual. It will draw upon its various studies in this field and a current survey conducted among the country banks on service charge plans and rates now in use, in addition to using current cost data. It will advocate the continued use of the simplified analysis plan supplemented by information covering miscellaneous service charges.

Another project is a fresh survey of salaries paid in country banks.

This will be based on the procedure outlined in the Commission's study published two years ago, "How to Set Up a Salary Program in the Smaller Bank." It will take into consideration the actual time spent on various activities by employees that result in combination titles such as teller-bookkeeper-proof clerk, secretary-bookkeeper, teller-bookkeeper, etc.

The fourth and most important project is that of setting up an audit program for the smaller bank. This is aimed at providing assistance in this area of operations to those banks which have not had a formalized audit program. The manual to contain this audit program is well under way and will be ready for publication in the late summer.

The meeting of the Country Bank Operations Commission was held in Louisville on the two days immediately preceding the Commission's Country Bank Workshop.

2nd National Ag Credit Parley

THE Second National Agricultural Credit Conference of the American Bankers Association will be held in the La Salle Hotel in Chicago on November 16-18, according to W.

Harold Brenton, president of the A.B.A. and president, State Bank of Des Moines, Iowa. The Conference will be sponsored by the Association's Agricultural Commission.

This meeting will bring together bankers from all parts of the United States to hear addresses by farm and financial leaders and exchange ideas on farm credit problems and procedures. It will be only the second national meeting of bankers devoted entirely to farm credit, the first having been held in Louisville last fall.

Colorado 4-H Leaders Honored

MORE than 200 4-H Club leaders of Weld County, Colorado,

bank officers, and 4-H Club representatives attended a recent banquet honoring the leaders by The Greeley National Bank.

The program included an address by Elwood M. Brooks, president of the Central Bank and Trust Co., of Denver, on "The Place of 4-H Clubs in the Community" and musical arrangements by five 4-H Club boys. A. H. Trautwein, executive vice-president of Greeley National, welcomed the guests on behalf of the bank, and David D. Hill, public relations officer and agricultural consultant (a former Weld County 4-H Club agent), emceed the event.

"This was the first such banquet ever held for the leaders of Weld

County, the leading 4-H county of Colorado with 95 clubs and 1,600 club members," reports Mr. Hill. "The many favorable remarks we received after the banquet have convinced us that we want to continue this honor banquet."

Scholarship Conference

THE representatives of state agricultural colleges in 11 western states and Hawaii were invited to attend the Western Regional Short Course Study Conference on the campus of the Oregon State College, Corvallis, on April 21-24. S. P. Swenson, dean of the College of Agriculture,

(CONTINUED ON PAGE 74)

J. L. Robertson Speaks to Bank Directors

SPEAKING recently at the A.B.A.'s Country Bank Workshop in Louisville on the "Duties and Responsibilities of Country Bank Directors," J. L. Robertson, member of the Board of Governors of the Federal Reserve System, Washington, stated in part:

"As directors and bankers, you are well aware of the importance of banking and credit to your community and to the nation; well aware that you are engaged in a quasi-public business which carries with it tremendous economic responsibilities; and that profit—although necessary—is not your sole objective or measure of success. You know that a bank cannot be oblivious of developments in its community, in the nation, and in the world around it. Consequently, you must realize that it is both your duty and your responsibility to understand not only the facts of your own institution (by the use of my three-dimensional approach or whatever means you choose), but also the facts of our national economic life, so that you can help shape the affairs of your own bank in such fashion that it can make a real contribution to the preservation of our kind of economy, and our kind of life.

"... The postwar era has involved tremendous expansion of credit, and present debt levels are the highest on record. The mere existence of debts of such magnitude—\$60-billion of home mortgages, over \$23-billion of consumer credit, \$70-billion

of long-term corporate debt—are factors which must be considered in gauging the stability of our financial structure, as a whole and in each of its parts. The rapid increase recently in these types of credit inevitably raises questions as to whether such volume of new borrowing can be sustained. If it cannot, the stability of the economy is threatened unless substitutes can be found for that portion of the present demand for goods and services which is based on that credit.

"... Throughout our economy there has been a marked movement toward the restoration of freedom of enterprise. . . . The price of this additional freedom is greater individual responsibility, for the stability or instability of our economy will reflect more than ever the composite

result of thousands upon thousands of individual decisions . . . decisions as to which the guidance of officers and directors of the banks of our smaller communities can be particularly effective.

"It follows, therefore, that you must place high on the list of your duties and responsibilities those which obligate you (1) to gauge intelligently and meet the credit needs of the people—through banking policies built upon encouragement of initiative and enterprise and balanced by restraint upon speculative excesses—and (2) and perhaps even more fundamental, to provide both by precept and example a high degree of judgment, courage, and enlightened leadership in ever-widening areas of community and national life."

A.B.A. Country Bank Workshop second session speakers. *Left to right*, W. M. Willy, chairman, A.B.A. Country Bank Operations Commission and president, Security Bank, Madison, S. D.; R. W. Trefz, president, Arkansas Valley Bank, Pueblo, Colorado, and past Commission chairman; A.B.A. President W. Harold Brenton, who is president, State Bank of Des Moines, Iowa; and J. L. Robertson, member, Board of Governors, Federal Reserve System, Washington



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March 31, 1953

RESOURCES

Cash on Hand and in Banks	\$ 221,276,106.99
U. S. Government Obligations	338,109,372.84
State, County, and Municipal Bonds	54,614,647.65
Other Bonds and Securities	18,586,618.73
Stock in Federal Reserve Bank	1,650,000.00
Loans and Discounts	537,885,947.22
Bank Premises and Equipment	10,837,031.35
Other Real Estate	1.00
Customers' Liability under Acceptances	2,344,188.90
Accrued Interest Receivable and	
Other Assets	5,918,776.42
Total Resources	\$1,191,222,691.10

LIABILITIES

Deposits	\$1,104,968,873.64
Acceptances Outstanding	2,346,502.20
Reserve for Unearned Discount	7,245,580.92
Reserve for Interest, Taxes, etc.	8,600,126.60
Other Liabilities	1,226,783.70
Capital Funds:	
Capital Stock	20,000,000.00
Surplus	35,000,000.00
Undivided Profits	11,834,824.04
Total Liabilities	\$1,191,222,691.10

United States Government and other securities carried at \$145,689,895.16 are pledged to secure U. S. Government Deposits, other public funds, trust deposits, and for other purposes as required or permitted by law.

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(CONTINUED FROM PAGE 72)
ture, State College of Washington, was chairman of the Program Planning Committee.

The purpose of the conference was to develop plans for agricultural short course scholarship programs in the western states, similar to those now being conducted in Michigan, Minnesota, North Dakota, Mississippi, Georgia, and other states.

The W. K. Kellogg Foundation of Battle Creek, Michigan, originators of the short course scholarship program in Michigan, took the leadership in arranging this conference. The Michigan program, as are those in other states, is now sponsored by the state bankers association.

E. T. Savidge, secretary of the Agricultural Commission of the American Bankers Association, New York, was among the speakers. Representatives of the Washington and Oregon bankers associations joined Mr. Savidge on Wednesday morning in a discussion of "The Interest of Banks in Training Farm Youth." On Thursday afternoon, he led a discussion on scholarship programs.

Short Course Scholarships

IN June the North Carolina Bankers Association will provide agricultural short course scholarships for two farmers in each of the State's 100 counties.

In making the announcement, J. H. Hilton, dean of the State College School of Agriculture, and NCBA Executive Secretary Joseph H. Wolfe, said that bankers in each county will send two young farmers to a special short course to be held at State College on June 15-28.

This course replaces the associa-

tion's speaking contest conducted for white high school students in past years. NCBA will continue to sponsor the speaking contest for Negroes.

The curriculum of the short course is designed to present new developments in all fields of agriculture to young farmers between 18 and 28 years. Mr. Wolfe states that those selected should have finished high school, should have decided to farm, and should have outstanding records in either 4-H or FFA work.

The second panel explored marketing problems.

In summarizing the evolution of forestry to respected status, Kentucky's State Forester H. B. Newland said some of the nation's major insurance companies now look upon industrial forests as acceptable collateral for long-term loans.

Kentucky BA Forestry Clinic

ONE HUNDRED bankers, educators, foresters, landowners, and wood industry representatives attended a banker-forestry meeting in Hazard, Kentucky, arranged by the Kentucky Bankers Association, Federal Reserve Bank of Cleveland, and University of Kentucky.

Two paramount factors motivated the sponsors: (1) Timber, a renewable resource, is growing faster in Kentucky than it is being used, and (2) an economy based on coal, an exhaustible resource, will have shaky days.

The program included talks by Kentucky U forestry experts, forest experiment station, wood, and timber product representatives, and KBA's agricultural representative, William C. Johnstone.

In addition, there were two panel discussions. One, a panel of foresters, discussed timber production problems and determined that fire and grazing have produced cull, understocking, and poor composition of species on much of the state's forestland. Correction, they pointed out, requires a combination of education in fire prevention, protection from over-grazing, and development of markets for low value species.



Florida's Forestry Study

SOME months ago the Forestry Committee of the Florida Bankers Association decided that an objective examination and appraisal of the forestry program in Florida would be helpful in determining future needs and policies. An advisory board, headed by G. G. Ware, president of the First National Bank of Leesburg, was selected to supervise this project. Charles F. Evans, forestry consultant, was selected to make the study.

X. L. Pellicer, vice-president of the St. Augustine National Bank and presently chairman of the FBA's Forestry Committee, was another member of the advisory board.

The Evans study has been completed and published by the Forestry Committee and is being distributed to citizens of the Sunshine State. This booklet, *Florida's Forestry Program*, includes data on about every aspect of the state's forestry situation, present and potential, covering, among other things, fire control, forest management, production of seedlings, need of more active local support, and need for additional appropriations.

Mr. Ware was first chairman of FBA's Forestry Committee and also of the A.B.A. Forestry Committee. He continues to serve as a member of both groups.

(CONTINUED ON PAGE 114)

Farm Trust Service

"FARM Management As a Trust Service" was the title of an address presented at the Kansas Bankers Association's recent trust conference in Hutchinson by Noel T. Robinson, vice-president and trust officer of the Central National Bank & Trust Co., Des Moines, Iowa. Quotations from Mr. Robinson's paper may be found in the "News for Trustmen" department, page 150.



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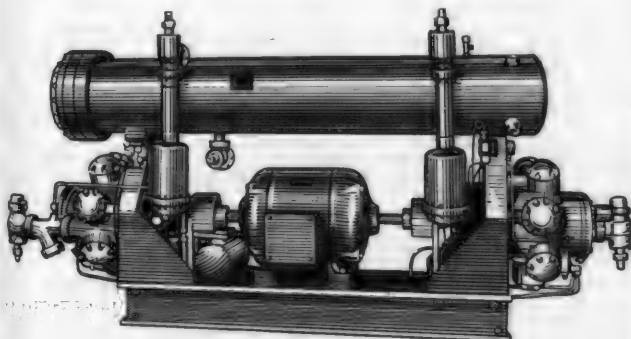


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Hoosiers Study Farm Credit at Purdue

HOWARD G. DIESSLIN

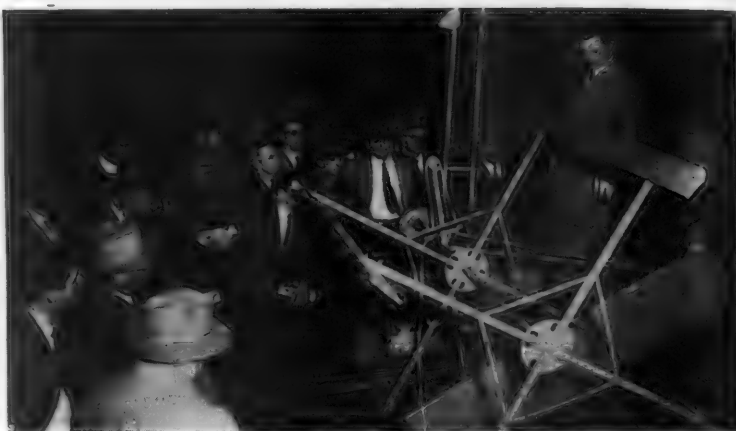
The author, an associate professor in the Department of Agricultural Economics, Purdue University, Lafayette, Indiana, was one of several agricultural economists on the program. In addition, he pinch hit as BANKING's reporter.

WITH over 400 Indiana bankers and county agricultural agents in attendance, the ninth annual two-day Indiana Agricultural Credit Clinic at Purdue University broke all previous records. This annual program is designed for bankers who are on the "firing line" of agricultural lending, including bank directors and employees. The subject matter presented each year is highly practical and considerable discussion is devoted to the underlying economic aspects of sound lending practices.

Started in 1942, the clinic has been an annual affair since 1946. It has become an extremely popular program with Indiana bankers. Total attendance, starting with 125 at the initial clinic in 1942, has increased each of the nine years. One unique feature of the clinic has been the attendance of county agricultural agents. Banks in each county invite their agent as their guest to the program; 65 agents were present this year. During the two-day events each year, many community and county projects have been developed cooperatively between the local bankers and the county agent.

Program Subjects

The program contained a full half-day session on the following subjects: (1) Farm equipment requirements and financing; (2) financing beginning farmers and capital requirements; (3) bank statements and instalment loans of country banks; and, (4) the economic outlook. Banquet speakers included Allan B. Kline, president, American Farm Bureau Federation, on "Agriculture and a Sound National Economy"; George D. Scarseth, American Farm Research Association, on "It Takes Money to Make Money Farming"; and Emmet J. Dignan, vice-



Agricultural Credit Clinic students crowd around a combine during tour of farm equipment at Purdue's Agricultural Engineering Building

president of United States National Bank, Denver, Colorado, "How Sound is Agricultural Credit?"

Some of the points made by Emmet J. Dignan at the Purdue clinic appear on page 77.

Five Hoosier bankers contributed materially to the success of the conference on the subjects, "Danger Signals in the Road Ahead," "Using Financial and Operating Statements," and a panel on "Instalment Loans of Country Banks."

Equipment Needs, Financing

The investment in farm equipment on high profit Hoosier farms presently averages about \$4,500 per man and about \$45 per tillable acre. On farms of comparable size and type, the kind and amount of equipment used is almost standard. More farms are "under powered" than "over-powered." In addition, small equipment items may be more important than big ones. For example, automatic watering devices may save more time than combines, or a manure scoop may be more important than a hay baler to the farm organization.

Capital requirements in equipment can be reduced through the purchase of used equipment, trading work, or hiring custom work. Used

equipment is relatively cheap, as compared to new, in times of falling farm prices. This is important in equipment expenses since depreciation accounts for about half of farmers' total crop machinery costs, one-fourth of power machinery costs.

Credit requirements for purchase of equipment is again nearing pre-war levels. Commercial banks are now the major source of this credit. They have relieved the manufacturer of practically all the retail financing since the beginning of World War II. It will remain a major source of "low-risk" farm loans for aggressive banks in the years ahead. Suggestions on equipment financing included: allow sufficient time to repay, amortize the loan, do not be too optimistic about the amount of custom work available, and beware of over-investment in terms of the size of farm operation. In addition, used equipment is usually the best bet on small farms—not new small equipment. Rates of accomplishment are low and labor costs large with small equipment.

Capital Requirements

About \$40,000 of capital is necessary to keep one man fully employed with modern machinery, livestock, land, and buildings on a general

(CONTINUED ON PAGE 147)

Pointers on Sound Farm Credit

EMMET J. DIGNAN, vice-president of the U. S. National Bank in Denver, Colorado, spoke on the soundness of farm credit at the Agricultural Credit Clinic of the Indiana Bankers Association at Purdue University, Lafayette. Some of the points made by MR. DIGNAN are presented here.

WHAT is the formula for keeping out of trouble in the future? How can we continue to serve our customers and not only keep out of trouble ourselves, but, beyond this, keep our customers out of difficulty? We must keep in mind that a "broke farmer" is no asset to our banks, or to our communities and when we deal with an honest borrower, we should remember that when we take even a modest loss, our customer is in danger.

What is a practical approach? Here are several suggestions:

(1) Get to know your customer and his family. Visit his farm or feed lot and become his friend. Make him understand that you have a responsibility to your depositors and to your stockholders. Have him understand that "yes" is not always the best answer—for him. To do this most effectively, you must be friendly. You must have his confidence—you must have sound reasons, and you must know his operation thoroughly enough to point out the risk and all the hazards of his undertaking and still be optimistic enough to recognize where success could be attained in spite of some adverse conditions.

Credit Files

(2) Have good information in your files. Before you make the loan, have him sit down and give you complete information and keep it complete. Compare with him his financial statement from year to year. Keep these statements in the file for years, also copies of all documents and letters—everything pertaining to the loan in his file. Point out to him his progress, also show him his lack of progress, if this be the case.

(3) Do not half finance your customer. If \$18,000 is required to do

a good job, don't tell him he will have to get along on \$14,000. It just will not work. Be realistic when you are working out a man's loan requirements and his budget. Insist that he put in the things that are essential and see to it that your projections are ample.

(4) Discuss fully and frankly your loans with your directors. Get their advice and counsel. Present not only the bank's point of view, but the borrower's problems. This is especially important where you have board members who know and understand agriculture.

(5) Do not hesitate to talk to your bank examiner. . . . The greatest associate you can have is a good complete credit file and a thorough personal knowledge of your borrower's condition. Many a good loan is criticized because the banker himself has failed to portray many of the favorable factors, and your examiner, with all his wisdom, is not a mind reader. Give him the information he needs to arrive at an honest, reasonable decision.

Chattel Mortgages

(6) Where you take security, insist on all proceeds of sale being applied. Don't ever weaken. The minute you become a little sloppy or a little careless in this respect, your borrower will become just twice as sloppy and careless. . . . When you make a chattel mortgage loan on cattle, on sheep, on crops or any other commodity, demand that all proceeds be applied and, if advances are necessary for legitimate purposes, consider them on their merits. Do not release the proceeds.

(7) Do not be a 90-day bank. Arrange a maturity on your loan when the customer will normally have production to sell either to fully repay, or substantially reduce the debt. This eliminates past due paper. It eliminates a lot of work.

(8) In most all cases some thought should be given the customer's life insurance program. Let's not overdo this end of it, but, in many cases, a reasonable amount of insurance payable to the bank serves a fine purpose in case of emergency.

(9) Do not be avaricious and try to collect the last cent of interest that your customer will pay to anyone. Remember, you are running a bank. Let the life insurance companies and the long-term credit agencies finance the long-term credit. Encourage your customer and help him to arrange carefully a well-planned long-term credit, even though it means his having idle funds in your bank through certain periods of the year. In some cases this is a hard program to sell, but it is so extremely important from your customer's point of view.

Livestock Security

(10) Where the loan deals primarily with livestock security, insist that your borrower be an extravagant feeder. Recognize that it is cheaper to retain flesh than it is to put it back on. Recognize that the producer's production is increased substantially by his breeding herd being in excellent condition. If your margin is so thin that you cannot justify a good feeding program throughout the term of your loan, reduce the numbers and take good care of the remaining livestock. Keep in mind that the livestock operator of today, with his high cost of operation, must get good production—he must get a big calf crop, a fine lamb crop, and he must increase their weights at marketing time.

(11) Try to regard every applicant as a close friend and deal accordingly. In banking, in public life, in government, there is no substitute for honest, frank, and honorable dealings with every man that sits across the desk from you. Do not hesitate to say what you think. A truthful statement may hurt, but borrowers will respect you for it.

Bankers in America are now at a point where we must either fish or cut bait. Many of our large and small livestock and farm operators are temporarily suffering the results of adverse weather conditions or price declines. Are we going to curse Government help on one hand, and, on the other, send honest and honorable producers to agencies of Government for financial assistance?

How a Big Bank Helps Small Banks With Farm Machinery Loans

ANDREW B. ROSE

Mr. ROSE, who is vice-president of the Liberty National Bank and Trust Company of Louisville, Kentucky, tells in this article about the operation of his bank's program of financing farm equipment in cooperation with its correspondent banks.

IN agricultural areas with relatively low per capita income, the farm machine offers an economic opportunity whereby the gap between productivity and income of farm workers and those engaged in industry can be narrowed. Those remaining in agriculture and those who have taken employment elsewhere have been able to improve their own standards of living, and, in fact, the standard of living of all of us. Farm machinery is productive in the same way that motor trucks and machines are in the manufacturing business. Machines pay for themselves, and Liberty National Bank and Trust Company has long recognized that the financing of productive machinery is profitable for all concerned.

It is apparent that in some good agricultural areas local capital may not be adequate to take care of usual credit demands as well as the financing of farm equipment in volume for farm owners and operators who wish to take advantage of the latest mechanical developments. To assist in making the necessary capital for machinery available, we have evolved a plan to buy retail farm equipment paper on a non-recourse basis in cooperation with our correspondent banks in the area served by us.

We are told that such a financing program has been sought by implement manufacturers and dealers for many years. Our plan was ready for presentation early in January 1953 and the first dealer signed our

Mr. Rose, left, discusses a farm machinery loan with a dealer and his local banker. R. M. Wentworth, president, M & W Motors, Inc., Shelbyville, right, the first dealer to sign a retail farm equipment finance contract with Liberty, and Lloyd Pollard, cashier, Shelby County Trust and Banking Co., center



financing agreement on January 12. Since that time dealers have signed up at the rate of nearly four each week.

Agreement Provisions

Our agreement provides for the purchase by us of retail paper from dealers through our correspondent banks on a non-recourse basis, but the dealer has a liability under the agreement of 10 percent of the face amount of notes purchased in any one year, with a minimum liability of \$500. It is recognized that regardless of all reasonable care exercised in selling and collecting, an occasional loss through repossession or other cause may occur.

To protect the bank against losses and to give the dealer a continuing interest in the production of sound paper, a reserve of 10 percent of the net amount of each note is provided. The reserve provision is inserted as it embodies protection, ease of handling, and flexibility. After the reserve reaches \$500, dur-

ing the life of the contract, it is not to be drawn below that figure. Each dealer has a minimum liability of that amount and since some dealers may submit only a small volume of notes, the liability as well as the reserve computed on a percentage basis would, therefore, not be reasonably adequate. As notes are collected, the required reserve can be proportionately decreased and excess amounts repaid to the dealer on January 1 and July 1 of each year. Paper is purchased only from well-established dealers in nationally known products.

Rate Chart

Our plan, we believe, is at a lower over-all cost than any other non-recourse finance plan covering farm equipment in this territory. Our rate chart is computed to yield the same return as would be had from discounting a one-year monthly payment note at 5 percent and there are no charges to the dealer and no other charge to the pur-

chaser, provided payments are made on due date. The rate chart is set up so that payments for odd amounts and for irregular periods may be computed to coincide with the dates on which the farmer will receive his income.

New and Used Equipment

Both new and used equipment may be financed. The down-payment must be 40 percent of sale price, except that when a note is issued on the purchase of new machinery, with the total amount of the note payable in one year and at least one-half due in six months, the down-payment may be 33⅓ percent of sale price. Casualty insurance may be placed through an agent agreeable to the buyer and the dealer, with premiums included in the amount to be financed, if desired. Notes may run as long as two-crop seasons or a maximum of 24 months, but at least half the unpaid balance must be paid before the end of the first crop season. It is our opinion that, with the required down-payment, there should be enough equity to protect us in the event repossession is necessary. Also, with the 10 percent reserve in effect, the dealer to whom possessions will be turned over will have an interest in working them out to the best advantage.

Correspondent Bank Role

A dealer who produces paper under our plan takes the documents to his local bank where they are inspected for completeness and con-

sidered on the basis of reasonable expectation of repayment. The local bank then sends the papers to us with its comments on the buyer. We rely largely on information furnished to us in the statements included in purchaser's financial statement and conditional sales contract, etc., and in the covering letter from our correspondent bank.

When farm equipment notes are received, immediate attention is given to them, so that if papers are in order and adequate information is at hand, a decision can be reached on day of receipt. After deduction of finance charges included in the face of the note and deduction of reserve, proceeds are credited to the correspondent bank through its account with us. Advice of credit is sent immediately to our correspondent, so that payment may be made to the dealer. In advance of due date, we notify the bank of origin and it, in turn, notifies the buyer, who then makes his payment to the bank sending him the notice.

Upon payment of each instalment, as compensation for this service we credit to the bank, through which the paper was sent, a percentage of the finance charges included in the instalment. We have found that the features of our plan, including compensation, have been sufficiently attractive to banks to cause them to recommend our method of financing to their farm equipment dealers. We have published a brochure describing the program and have sent a copy to each bank carrying an account with us and to each dealer who has signed a financing agreement. This brochure enables the local banker and the dealer to have before them, at all times, full details of the operation.

Aid to Smaller Banks

Our reason for entering the farm equipment financing field is to help smaller banks make capital available in their counties. Under the plan they are able to place with us paper which otherwise might represent an excess load as far as their lending capacity is concerned. We have tried to make our operation as attractive as possible to local banks since they have a key role in its success. They can see that we are not in competition with them and that they are free to keep whatever volume of retail farm equipment paper they wish to have

Machinery Sales Up

Officials of one of the leading farm equipment manufacturers announces that the dollar sales volume of farm machinery for March 1953 was the highest of any March in the history of the country. It was also announced that the reported figure showed an increase better than 15 percent over the dollar sales volume reported in March 1952.

They attribute the increase to the fact that a concerted sales effort was made by dealers and that farmers are realizing the importance of using modern farm machinery to keep down production costs.

in their own portfolios before sending the excess to us. Our correspondents know that by cooperating with Liberty National they can assure their farm equipment dealers that adequate funds are available to finance buyers who are in need of and can make good use of dealer merchandise.

Manufacturers Pleased

Farm equipment manufacturers generally prefer to use their capital for manufacturing and selling operations and most of those who have been forced into financing retail paper are delighted to have this function assumed by us in cooperation with our correspondent banks. Our plan enables dealers to offer their customers financing that is reasonable in cost and appealing to buyers. All transactions, including payments and the placing of insurance, can be concluded in the dealer's own county. The farmer is given an opportunity, in cooperation with his local bank, to buy productive equipment on a time basis such as is available to other businessmen.

While our return on retail farm equipment loans is not expected to be as high as on other instalment credits, our finance plan should demonstrate that a city bank can and does contribute to the prosperity of farmers, dealers, and country banks in its area and thus add substantially to the well-being of the whole district.

(END)

Mr. Rose and Mr. Wentworth inspect a tractor recently delivered to Walter Stratton of Shelbyville



Foreign Banks—Safe Deposit

Fact That Branch of Foreign Bank Is Unlicensed Does Not Give Depositor Any Special Rights Against It.

The depositor-plaintiff claimed that the bank had been in continual violation of Illinois law, through failure to obtain a certificate of authority to do business and, hence, that its branch "never had title to

Illinois' First District Appellate Court did not agree with the plaintiff. It noted that there was no allegation that the branch had obtained deposits by fraud, that it had failed to discharge its obligations to its depositors, or that any depositor had suffered injury through dealing with it. "So far as the record shows

Under Illinois law, said the court, a contract of a foreign corporation doing business without complying with the conditions prescribed by that state's laws is void only in the sense that it is not enforceable by the corporation. In the instant case, said the court, the branch had done nothing with the plaintiff's deposits that was not justified by its contract with him, and there thus was no cause to impose a constructive trust.

[illegible]

Prior to 1933 it was quite common to find statutory and constitutional provisions making bank stockholders personally liable for their banks' debts up to the amount of the par value of their stock. Today, however, no provision for the imposition of double liability exists in 22 states.

Colorado imposes triple liability upon all bank shareholders, but the liability is qualified as in the 24 states imposing qualified double liability.

In all states where qualified liability exists, only a very few banks have not taken the steps necessary to remove it from their shares. A further factor reducing the actual impact of double liability where it does exist is the practice of the FDIC in waiving claims against stockholders when the corporation is subrogated to the rights of depositors in failed banks.



State Tax Reports...



- State taxation once was easy. The property tax, a franchise tax, and a few license taxes made up the picture. But now all this is changed.
- New and drastic forms of taxation have been created, rates have skyrocketed, more and still more tax money is demanded. Today, as never before, correct, continuing tax information is vital to effective, economical business management. And not just at return time, but all through the year. Tax control must be carefully planned, plans constantly revised to match the swift pace of present-day tax changes.
- For these basic reasons Tax Men everywhere welcome the special assistance of CCH's State Tax Reports.
- Forty-eight states and the District of Columbia are each individually covered by CCH's State Tax Reports, each state the subject of its own reporting unit. Swift, accurate, convenient, the informative regular issues of each unit keep your tax facts and information constantly up-to-the-minute. Coverage includes new laws, amendments, regulations, rulings, court and administrative decisions, return and report forms—in short, everything important or helpful in the sound and effective handling of corporate or individual state taxes and taxation.

Write for Full Details of Reporting for Your State

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CCH TOPICAL LAW REPORTS

Is YOUR Bank Ready to Absorb an Embezzlement of \$309,000?

Each one of fifteen banks absorbed an average of \$309,000 for the five-year period 1946-50! Shortages in these banks, whose total deposits were only \$27,000,000, totaled \$5,500,000 — \$4,635,000 more than their total bond coverages! * They were forced to absorb 84% of their embezzlements, even though nine of these banks had bonds equalling or exceeding the minimum suggested in a table of recommended amounts!

The figures are *startling*! Clearly, with defalcations running so high, it should be realized that any table is merely a guide. Chief reliance should be upon an *individual* analysis of each bank.

Make sure *your* bank's protection is geared to today's conditions existing both in and outside of your bank. Call our nearest agent—he'll be glad to have one of our bank specialists analyze your hazards and blanket bond program. If you don't know our agent's name, just write our Agency & Production Department. We'll furnish it promptly.

**These figures were quoted in an address by Alexander Chmielewski, Bank Commissioner of Rhode Island, before the A.B.A. State Bank Division, September 29, 1952.*

AMERICAN SURETY COMPANY

100 Broadway, New York 5, N. Y.

FIDELITY • SURETY • CASUALTY • INLAND MARINE • ACCOUNTANTS LIABILITY
AVIATION INSURANCE THROUGH UNITED STATES AVIATION UNDERWRITERS, INC.



(CONTINUED FROM PAGE 80)

Should the occasion arise for plaintiff or any other depositor to sue the branch upon a deposit contract or any other agreement, the agreement could be enforced. The bank, on the other hand, as an unlicensed foreign corporation could not sue the depositor to enforce the same contract. *O'Malley v. Bank of Montreal*. 110 N.E.2d 473. cf. *Paton's Digest*, Corporations and Corporate Stock §3.

SAFE DEPOSIT

ILLINOIS' Fourth District Appellate Court recently delivered itself of a little dictum to the effect that the relationship between a safe deposit box lessee and his bank "is that of bailor and bailee, subject to the terms of the contract between them, which, according to usual custom, requires, for access to the box, both the key and the signature of a designated person."

The court did not offer any opinion on whether the terms of a contract might nullify the general rule that a bailee is liable for loss of the bailor's goods through negligence. *Miller v. First Granite City Nat. Bank*. 110 N. E. 2d 651.

LIMITATION ON LOANS TO ONE BORROWER

IOWA's attorney general has ruled that an Iowa bank which has loaned the maximum amount permitted to be loaned to an individual borrower under applicable state law is not thereby prevented from lending similar amounts to corporations controlled by the borrower.

The applicable statute provides: "The total liabilities to any . . . state bank of any person, corporation, company or firm for money borrowed, including in the liabilities of a company or firm the liabilities of the several members thereof, shall at no time exceed 20 percent of the actually paid-up capital and surplus of such bank. . . ."

The state banking department, maintaining that in computing the liabilities of a borrower, the liabilities of corporations controlled by him should be included, asked the attorney general for an interpretation of the statute.

The attorney general ruled that

since the legislature had omitted the word "corporation" from that part of the statute stating that the liabilities of a debtor should include the debts of a company or firm of which he is a member, it had intended the word "company" to mean an unincorporated association or partnership, as distinguished from a corporation. Thus, said he, in computing the statutory limit on loans to individuals and corporations, loans to corporations are separate and distinct from loans to their stockholders. Op.A.G., Iowa, September 25, 1952.

DIRECTORS QUALIFYING SHARES

THE Federal law requiring every national bank director to own shares of the bank's stock "in his own right," as California's Court of Appeal (2nd Dist., Div. 1) sees it, does not mean that the director cannot own the shares under an agreement requiring him to return them to the former owner when he ceases to be a director.

Quoting *Paton's Digest of Legal Opinions*, the court has held that "A director by merely granting an option to a third person to buy his stock does not disqualify himself from acting as director. Until the third person exercises his option to buy the stock, the director owns the stock in his own right as required by statute. . . ."

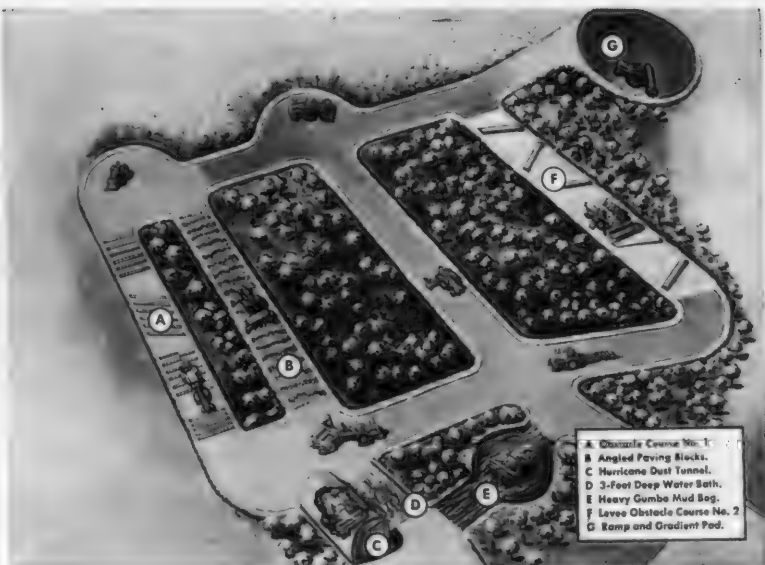
The court added its opinion that there is nothing inherently unlawful or contrary to public policy in an agreement whereby a corporation's sole stockholder sells some stock to prospective directors, reserving the right to buy it back at a stipulated price when the directors cease to serve as such. *Transamerica Corp. v. Parrington*, 252 P.2d 385. cf. *Paton's Digest*, Bank Personnel §2B.

JOHN RENÉ VINCENS

You must say for a traffic cop that he always whistles at his work.

Americans don't spend billions for amusements. They spend it in search of amusements.

A used car is one that father would like to use.



Massey-Harris Testing builds in extra value, better performance, longer life

TEST it on the track, prove it in the field — that's the way Massey-Harris builds more dollar value, longer life and better performance into every machine.

On their new specially designed test track, Massey-Harris engineers put machines through experimental runs that surpass anything they may undergo in the field. Tractors, Combines and implements are driven through rigorous speed tests, up steep balance slopes, over rock-ribbed roads, through water, mud and abrasive dust, bounced over bumps and ridges.

Figuratively, the engineers make them swim, climb, twist and jolt until frames, engines, transmissions, clutches, bearings and controls prove their endurance, shock resistance and stamina.

Adjoining the test tract are 640 acres of farm land where machines are again

tested to prove their actual performance in the field. With the aid of modern electronic devices engineers measure the effects of stress and strain each field operation has on specific parts of the machine. Thus designs are changed and improved until they meet Massey-Harris' rigid standard of quality control.

Never before has this combination of track and field information been so readily available to determine almost immediately the quality of materials, the logic of design, the strength of construction.

It's one of the reasons why Massey-Harris equipment does so much more for farmers. Why it cuts labor and production costs, reduces maintenance, and produces more work output for every hour in the field.

THE MASSEY-HARRIS COMPANY
Racine, Wisconsin



Testing like this builds rugged frames

Rough field conditions are no problem to Massey-Harris Combines. They actually cut their teeth on obstacle courses more severe than normal farming conditions ever approach. That's why Massey-Harris machines have an extra margin of strength in frames and braces without excessive weight . . . why they last longer, work smoother.

Make it a Massey-Harris

Parts and Service through more than 2500 authorized dealers

Other Organizations

The news in this department is edited by WILLIAM P. BOGIE of BANKING's staff.

Clarification

A SERIES of newspaper advertisements and two folders describing the basic differences between commercial bank thrift accounts and investments in savings and loan associations have been produced by the WISCONSIN BANKERS ASSOCIATION. This campaign is patterned after one developed and used effectively

by the COLORADO BANKERS ASSOCIATION last year.

The ads feature babies with appropriate facial expressions asking such questions as "What d'ya mean . . . Greater Immediate Liquidity?" The copy in this particular ad goes on to say:

Liquidity—to a financial institution—simply means its ability to pay back money you've put into it *when you want it*. Banks in Wisconsin have more money in cash and Government bonds in proportion to savings deposits than any other type of institution accepting money for pur-

poses of saving. What does this mean to you? Simply stated, it means that banks—in good times and bad—are best prepared to return the *full amount* of your savings deposits *when needed*.

The booklets are entitled *5 Big Reasons Why More People Prefer to Save at Commercial Banks and Facts You Should Know about Banks and Savings and Loan Associations*.

A confidential handbook has also been published, for use by bank officers and employees inside the bank.

Pacific Northwest

THE 14th annual PACIFIC NORTHWEST CONFERENCE ON BANKING was held on April 9 and 10 at the State College of Washington, Pullman. The program included a wide variety of topics, including "Current Banking Problems," "Impact of Engineering on Our Present Day Economy," "The Outlook from Washington," "The Livestock Situation," "Artificial Cloud Nucleation," "New Approach to Personnel and Public Relations," and "Northwest Power Pool."

FPRA School

THE faculty and curriculum of the 1953 session of the SCHOOL OF FINANCIAL PUBLIC RELATIONS at Northwestern University have now been set, it has been announced by Robert Lindquist, chairman of the school's board of managers and vice-president of the Harris Trust & Savings Bank, Chicago.

The 1953 catalog, containing complete information about the school, the curriculum, the faculty, and the admission requirements, has been published.

The 1953 session of the school will meet July 27 to August 8. The complete course consists of two 2-week resident sessions, plus extension problems and the completion of an original public relations project. Since its inception in 1948, the

(CONTINUED ON PAGE 86)



When A.B.A. Deputy Manager William Powers was guest speaker at a joint meeting of the Vermont Bankers Association and the Vermont Conference, National Association of Bank Auditors and Comptrollers, students and graduates of The Graduate School of Banking presented him with a gallon of new crop Vermont maple syrup. Mr. Powers is registrar of the School, which is conducted by the American Bankers Association at Rutgers University. In the picture above are, seated, left to right: Clarence S. Campbell, cashier, Peoples National Bank, Barre; John C. Corskie, treasurer, Capital Savings Bank & Trust Company, Montpelier; Mr. Powers; Glenn E. Chapin, cashier, Howard National Bank & Trust Company, Burlington; William C. Andrew, assistant treasurer, Northfield Savings Bank. Standing, left to right, are: Wilbur H. Perry, assistant cashier, Howard National Bank & Trust Company, Burlington; Evald O. Johnson, trust officer, Montpelier National Bank; Moritz Kuhn, comptroller, Chittenden Trust Company, Burlington; Horace B. Shaw, Jr., assistant treasurer, Burlington Savings Bank; Frank W. Black, executive vice-president, Peoples National Bank, Barre; James Raymond McGinn, assistant treasurer, Franklin County Saving Bank & Trust Co. St. Albans



Northgate Branch, The National Bank of Commerce, Seattle, Washington.
Architect: John Graham, Seattle, Washington.



Eddy Isbey Plumbing & Heating Store, Michigan City, Indiana.
Architects: Tonn & Blank, Inc., Michigan City, Indiana.



A Pittsburgh Open-Vision Store Front opens the public's eyes... and its pocketbook!

A business establishment that puts up a good front makes a good showing, especially if it's an open-vision front of Pittsburgh Glass. This applies to your bank as well as the retail properties you handle. For the "open-to-the-public" look of an all-glass front extends a welcoming hand to the passerby; asks him to

come in. In your retail properties, an open-vision front exhibits the merchandise displays attractively, persuasively, night and day... even after hours, the store goes right on selling!

Make *your* bid for increased business *now* by modernizing with eye-pleasing Pittsburgh Products. You'll

find that business looks up when the business establishment looks up-to-date! And, of course, Pittsburgh modernization adds to the real estate value of your property, too. For examples of other Pittsburgh modernization jobs, just fill in and return the coupon below. No obligation, of course.

**Store Fronts
and Interiors
by Pittsburgh**



Pittsburgh Plate Glass Company
Room 3219, 632 Duquesne Way, Pittsburgh 22, Pa.

Without obligation on my part, please send me a FREE copy of your modernization booklet, "How To Give Your Store The Look That Sells."

Name

Address

City State



PAINTS • GLASS • CHEMICALS • BRUSHES • PLASTICS • FIBER GLASS

PITTSBURGH PLATE GLASS COMPANY

IN CANADA: CANADIAN PITTSBURGH INDUSTRIES LIMITED

(CONTINUED FROM PAGE 84)

school has graduated 150 men and women.

IBA Institute

ONE hundred fifty representatives of member houses of the INVESTMENT BANKERS ASSOCIATION OF AMERICA attended the opening session, March 30-April 3, of the newly established Institute of Investment Banking, sponsored by the association in cooperation with the Wharton School of Finance and Commerce

at the University of Pennsylvania, Philadelphia, according to Ewing T. Boles, The Ohio Company, Columbus, president of the IBA.

The institute is an outgrowth of the investment banking seminars held in Philadelphia under the same sponsorship in 1951 and 1952 and is designed to provide a permanent executive development program for the industry.

Registrants will attend the institute sessions on the University of Pennsylvania campus one week each spring for three consecutive years for a series of integrated courses,



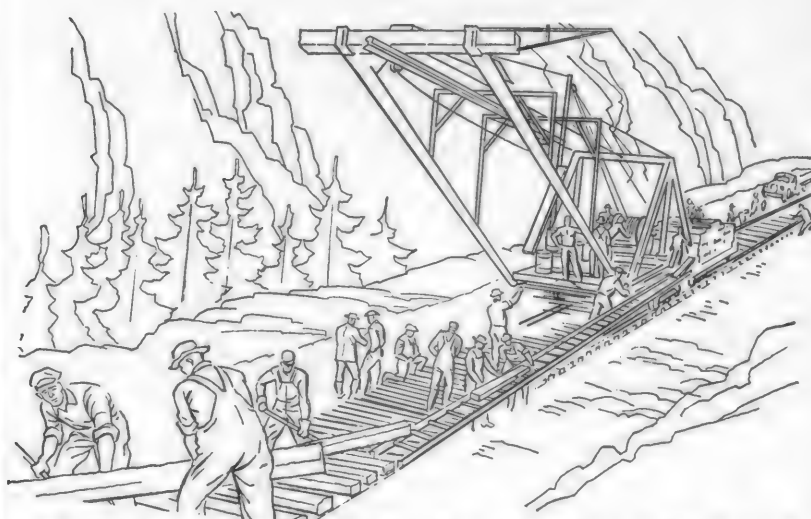
Arthur B. Foye, CPA, senior partner of Haskins & Sells, New York City, has been officially nominated for the presidency of the American Institute of Accountants for the 1953-54 term. Election will take place at the AIA annual meeting in Chicago, October 19-22

supplemented by selected readings. Upon completing the three-year program, enrollees will be awarded a certificate of merit in recognition of their specialized training in the investment banking business.

Georgia Secretary

THE GEORGIA BANKERS ASSOCIATION at its 61st annual convention named William H. Hosch as its secretary to succeed Haynes McFad-

William H. Hosch



Another Mesabi in the making?

On Canada's Labrador-Quebec border, there is an iron belt larger in extent, and possibly in ore, than the Mesabi Range. With mining operations now underway, a 360-mile railroad is being built from Seven Islands on the St. Lawrence in order to transport the ore to this continent's great steel mills.

With a branch at Seven Islands and another at Knob Lake, the railroad's future northern terminus, Imperial Bank has been serving this development since early in 1952. It illustrates Imperial Bank's policy to pioneer banking services in new areas and to always be in a position to provide the most up-to-date information on current conditions, trends and opportunities.

**LET IMPERIAL BANK
KEEP YOU UP-TO-DATE
ON CANADA!**

We invite interested U.S. banks to investigate our services as a correspondent bank. Write: Imperial Bank of Canada, Head Office, Toronto.

IMPERIAL

"the bank that service built"

IMPERIAL BANK OF CANADA

55-3

den, who completed 40 years of service at this convention.

Prior to his affiliation with the GBA in 1949, as assistant secretary, Mr. Hosch was manager of the agricultural department at the Atlanta Chamber of Commerce, where as secretary of the Farmers Club and Livestock Committee he serviced the successful beginnings of the annual North Georgia Farm Community Improvement program and the Georgia Livestock Exposition.

Pennsylvania Projects

A NEW manual for conducting opinion surveys of customers and the public has been published by the PENNSYLVANIA BANKERS ASSOCIATION as part of its Cooperative Educational Program.

The manual, *How to Find Out What Your Customers Think*, is the fourth in the PBA educational series. It includes a series of sample questionnaires which can be adapted for bank use and discusses three basic types of surveys.

The manual lists possible sources of names and addresses for surveys of the public and outlines methods

NEW STATE ASSOCIATION PRESIDENTS



Left to right: FLORIDA—Henry C. Coleman, president, Commercial Bank, Daytona Beach; GEORGIA—Henry S. Cohen, executive vice-president, Moultrie National Bank, Moultrie

for obtaining accuracy and maximum returns in questionnaires.

* * *

Another project in the Cooperative Educational Program is called "One Quiet Day at the Bank."

The project consists of folders,

posters, and newspaper advertisements whose messages point out the many ways in which banks provide vital assistance to people who need their aid.

"There's drama behind the scenes at your bank" is the basic theme.



Anglo Bank is only *seconds* away, by wire or phone, whenever you need correspondent service in Northern and Central California. We hope you'll call on us any time we can be helpful. In over three quarters of a century of domestic and foreign banking, Anglo has served banks located in all parts of the world, as well as many of the country's leading business enterprises. Today, with assets of more than \$750,000,000, and capital funds exceeding \$43,000,000, Anglo has 34 offices in 19 key California cities, linked with the Head Office by private wire. Direct facilities for cable and radio communication. 24-hour transit service.

Head Office: 1 Sansome Street • San Francisco 20
The Bank Wire: SANB • Cable Address: ANGLOCAL

MEMBER FEDERAL RESERVE SYSTEM • MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Bakersfield • Berkeley • Chico • Fresno • Hanford • Hayward • Lemoore • Merced • Modesto • Oakland • Oildale • Palo Alto • Red Bluff • Redding • Sacramento • San Francisco • San Jose • Teft • West Sacramento

BANKING NEWS

Brenton and Moses General Session Speakers at 51st Institute Convention in June

Stetson B. Harman, Pasadena, Is Nominee for A.I.B. Presidency

C. Hamilton Moses, chairman of the board of the Arkansas Power & Light Co., Little Rock, will be the featured speaker at the closing business session of the 51st Annual Convention of the American Institute of Banking in Cleveland, Ohio, June 8-12, it has been announced by Martin J. Travers, president of the Institute. Mr. Travers is vice-president of the Power City Trust Office, The Marine Trust Co. of Western New York, Niagara Falls.

The A.I.B. will hold the Convention in the Hotel Statler. The key speakers for the meeting will address the two general business sessions—one opens the Convention, and the other is on closing day. As previously announced, W. Harold Brenton, president of the American Bankers Association and of the State Bank of Des Moines, Iowa, will be the featured speaker at the opening session on Monday, June 8. Mr. Moses will address the closing session on Friday, June 12.

Candidates

The names of the candidates for Institute office for 1953-54 have also been announced. The Convention will elect an Institute president, vice-president, and four members of the Executive Council on the evening of June 11; and the new officers will be installed on June 12. Stetson B. Harman, trust officer and assistant secretary, First Trust and Savings Bank of Pasadena, Calif., who is now A.I.B. vice-president, has been nominated for president; and Alvin E. Roemershauser, assistant vice-president, Whitney National Bank, New Orleans, Louisiana, has been nominated for the vice-presidency. The four announced candidates for three-year terms on the Executive Council are: George Clark, Farmers and Merchants National Bank of Los Angeles; E. Maurice Faubion, Second National Bank, Houston; Gerard E. Hayes, The National Shawmut Bank, Boston; and Samuel M. McGinnis, First Wisconsin National Bank, Milwaukee.

During Tuesday, Wednesday, and Thursday of the Convention week, a series of conferences on general banking subjects will be held in addition to

W. Harold Brenton, left, and C. Hamilton Moses, right



American Institute of Banking Membership Hits 100,000 for First Time in 53-Year History

The membership of the American Institute of Banking now exceeds 100,000 for the first time in the Institute's 53-year history, it was announced last month by Osmond A. Burton of the Valley National Bank, Phoenix, who is chairman of the A.I.B.'s National Membership and Enrolment Committee. The A.I.B. is the world's largest educational institution within one industry.

Membership on March 31 was 100,024, with 46,217 enrolments in A.I.B. classes throughout the nation. The Institute conducts its educational program in banking and related subjects through 400 chapters and study groups in as many towns and cities.

Tracing the growth of the A.I.B. since its inception in 1900, Mr. Burton stated that at the end of the first 10 years the Institute had about 11,000

members. In 1920 the membership stood at 32,000, and in 1930 it had risen to 69,000. During the depression years, membership declined to a low of 50,000 in 1934; then started to rise again, reaching 68,000 in 1940. When the organization celebrated its golden anniversary in 1950, it had 95,000 members.

At the close of the last Institute year, 32,349 bank people held the Standard Certificate, which is awarded to those completing the A.I.B.'s basic educational program.

Banking Responsibility Is Theme of Speaking Contest

"A Program of Economic Education for Bankers" was the subject for the district public speaking contests of the American Institute of Banking held between April 11 and 25 throughout the United States, according to A. L. Grigsby, Bank of America, San Diego, who is chairman of the A.I.B.'s National Public Speaking Committee.

The district contests were the second step in the selection of the six participants for the National Public Speaking Contest for the A. P. Giannini Educational Endowment prizes next June 8 in Cleveland, as part of the Institute's Annual Convention. During March, individual chapters of the Institute held speaking contests to choose the members to represent them in their respective district contests. Each chapter is entitled to send one contestant to the district eliminations.

Townsend Comptroller

Announcement that G. H. Townsend, auditor, American Bankers Association, has been named A.B.A. comptroller was made as BANKING went to press. He succeeds the late John J. Rooney.

discussions of Institute affairs. Arrangements for these "departmental" conferences are being made by a committee headed by J. Kaye Ewart, vice-president, National Bank of Washington, Tacoma. [The convention program, including names of conference leaders, may be found on pages 87 and 88 of April BANKING.]

The annual Wednesday outing this year will consist of a trip to Euclid Beach, world's largest amusement park, and a night baseball game between the Cleveland Indians and the Washington Senators. Wednesday afternoon will be spent at Euclid Beach, after which buses will take the delegates to Cleveland Municipal Stadium. There they will have a buffet supper on the playing field, with an opportunity to meet the Cleveland and Washington players, followed by the game itself.

A special social program for women unofficial delegates has been planned, which includes a tour of the Cleveland Museum of Art.

Vice-president Reese Enunciates a 7-Point Post-Korea Program for Banker Aid in Peace Economy Transition

The end of the Korean War can be the beginning of a whole new vision of what the American standard of living can be, and not the start of a business decline, says Everett D. Reese, vice-president of the American Bankers Association. Mr. Reese is president of The Park National Bank of Newark, Ohio.

"We must be just as resourceful in producing and finding a way to reach the masses with peacetime goods and services as in preparation for war," he said while suggesting a 7-point program for bankers. He urged that they:

"(1) Be completely sold on the entire free enterprise system and understand why.

"(2) Be the spokesmen of the system to the general public.

"(3) Soundly and constructively finance business and individuals, both large and small, to improve our pro-

duction and broaden the distribution.

"(4) Help in the restraint of credit if that is necessary to prevent unsound expansion of either production or consumption.

"(5) Teach the value of thrift and reserves.

"(6) Rejuvenate U. S. Savings Bond selling efforts so as to increase the amount of Government debt out of the inflationary channels.

"(7) Back up those in Government who are trying to reduce expenses, cut taxes, eliminate bureaucracy, and foster a democratic form of government.

"Our system of private enterprise must prove itself as being able to function well in peacetime as well as wartime. We, as bankers, being at the heart of business, must be willing to work and struggle for the system which we believe is the best because it provides the most for the most."

American Heritage Foundation Cites A.B.A. for Efforts To Get U. S. Citizens to Vote in November Election

The American Bankers Association has received a citation from the American Heritage Foundation for its work in urging people to vote in the last elections.

Prior to the election, the Association sent to banks throughout the country suggested literature for use in reminding their employees and customers to vote on election day. The literature included a poster to be placed on the bank bulletin board and a suggested newspaper advertisement. In addition, the A.B.A.'s journal,

BANKING, printed reminders of the importance of voting.

The citation which the Association received for its work reads:

Awarded to the American Bankers Association by the American Heritage Foundation in appreciation of outstanding performance in support of the National Non-Partisan Register and Vote Campaign of 1952.

WINTHROP W. ALDRICH,
Chairman

THOMAS D'ARCY BROPHY,
President

Public Relations Council Is Developing "Financial Study Guide" for Forum Use

Also Has New Bond Speeches and A.B.A. PR Activities Booklet

Two new talks for use by bankers in promoting the sale of Treasury Savings Bonds are being made available through the Public Relations Council of the American Bankers Association. These talks—"Shares in America" and "Why Buy U. S. Savings Bonds"—are designed for general use before adult and college student groups.

The "Shares" talk was prepared for the A.B.A. by Rawley F. Daniel, secretary-treasurer, Virginia Bankers Association, and the "Why Buy" talk was prepared by William H. Neal, senior vice-president, Wachovia Bank and Trust Co., Winston-Salem, N. C. Unlike other Council speech material, there is no charge for these two.

Other projects now being developed by the Council include:

(1) Booklet containing a complete review of the public relations activities of the A.B.A. This booklet will enlarge upon "PR Opportunities and Tools" appearing in March BANKING, starting on page 35.

(2) "Financial Study Guide" for distribution to 1,218 branches of the American Association of University Women. Another 800 copies will be distributed at the association's annual convention. The guide will include 10 different outlines, as follows: (a) Four sections of the outline will cover insurance and annuities which are being prepared by the Institute of Life Insurance.

(CONTINUED ON PAGE 91)

The Country Bank Operations Commission of the A.B.A. held its annual meeting in Louisville following the Country Bank Workshop sponsored by the Commission. (Story and pictures on pages 71 and 72.) Seated, left to right, R. S. Kinsey, Poweshiek County National Bank, Grinnell, Ia.; C. P. Johnson, Mechanics National Bank, Concord, N. H.; Max Stieg, Dairyman's State Bank, Clintonville, Ia.; R. H. Michaels, First National Bank, Canton, N. Y.; E. I. Eshleman, Western Maryland Trust Co., Frederick; M. H. Kirby, First National Bank, Henderson, Ky.; W. M. Willy, Security Bank, Madison, S. D., chairman; George R. Amy, A.B.A. deputy manager in charge of Commission; R. W. Trefz, Arkansas Valley Bank, Pueblo, Colo.; J. C. Welman, Bank of Kennett, Mo.; F. R. Shinstrom, First National Bank, Kirkland, Wash.; L. M. Schwartz, Citizens State Bank, Paola, Kan.; F. W. Thomas, Washington (Ga.) Loan & Banking Co.; F. W. Sherman, American National Bank, Jacksonville, Fla. Standing, Melvin C. Miller, A.B.A. deputy manager in charge of Bank Management Commission; L. M. Campbell, Second National Bank, Ashland, Ky.; R. L. Dunbar, Peoples Bank and Trust Co., Sunman, Ind.; G. H. Neill, First National Bank, Sonora, Tex.; J. B. Buenger, Fort Thomas (Ky.) Bank; and C. E. Betts, Commission assistant secretary



Fewer State Banks in '52, But Reach All-Time High in Assets and Liabilities

A.B.A. State Bank Division Annual Study Ready in May

The *Condition and Operation of State Banks in 1952*, the twenty-second such annual study by the State Bank Division of the American Bankers Association, shows that there were definite increases in all principal items of assets and liabilities except cash, reserves, and funds due from banks.

The total number of state supervised banks in the 48 states and the District of Columbia on December 31, 1952, was 9,589, of which 9,060 were state commercial banks and 529 were mutual savings banks. These state commercial banks included loan and trust companies, private banks, stock savings banks, industrial banks, and cash depositories.

The number of state commercial banks continues to decrease, the study shows; but total assets continue to increase. At the end of 1952 there were 9,060 commercial banks under state supervision. This was a decrease of nine banks. These banks had total assets amounting to \$80,848,321,000, an increase of \$3,440,790,000 or 4.4 percent.

In the 529 mutual savings banks in 17 states, there were increases in loans and discounts and total deposits, bringing these items to an all-time high. There has been no change in the number of these banks in the past three years. Total assets, though, are shown to have increased \$1,795,054,000, or 7.7 percent, to a total of \$25,228,980,000.

All-time High

Total assets of all state chartered banks reached an all-time high of \$106,077,301,000, an increase of \$5,235,844,000, or 5.2 percent over 1951.

The complete study will be mailed early in May to all State Bank Division members.

The Division's State Bank Research Committee was in charge of the project. The chairman is Robert H. Bolton, executive vice-president, Rapides Bank and Trust Company in Alexandria, Louisiana; its members are: William C. Christensen, president, The Commercial Bank of Oregon, Hillsboro; W. Neal Greer, president, Citizens State Bank, Houston, Texas; R. P. Holding, president, First-Citizens Bank and Trust Company, Smithfield, North Carolina; Henry R. Hurren, vice-president and cashier, Cache Valley Banking Company, Logan, Utah; and Alonzo Petteys, vice-president, Farmers State Bank, Brush, Colorado.

Association Had 16,790 Members at Mid-Year Point Representing Over 98 Percent of Nation's Banks

Membership in the American Bankers Association at the mid-year point, March 31, was 16,790, representing over 98 percent of the nation's banks, according to the report recently made to the Association's Executive Committee by Barney J. Ghiglieri, chairman of the Organization Committee.

All but 45 of last year's member banks have renewed their A.B.A. membership and, in addition, 127 new members have enrolled since the start of this Association year.

Michigan, according to Mr. Ghiglieri, has joined the 100 percent honor roll, making a total of 18 states and the District of Columbia in which every bank is a member. Besides Michigan, these 100 percent states are: Alabama,

Arizona, Arkansas, Delaware, District of Columbia, Idaho, Iowa, Louisiana, Montana, Nevada, New Mexico, North Carolina, Oregon, Utah, Vermont, Washington, Wisconsin, and Wyoming.

Just one member bank in each case is keeping these states from having the 100 percent membership: California, Colorado, Florida, Maryland, Missouri, Rhode Island, and Virginia. Two banks in Connecticut and North Dakota, three in New Jersey and Oklahoma, and five in Georgia, likewise stand in the way of 100 percent.

"Credit for the good renewal record," said Mr. Ghiglieri, "goes primarily to the state and regional vice-presidents serving on the Organization Committee."

Robert C. Baker Heads General Committee for A.B.A. Convention; Other Chairmen Named by District B.A.

Chairmen and vice-chairmen of the committees of Washington, D. C., bankers who will have a hand in arranging for the 79th annual convention of the American Bankers Association were announced last month by the District of Columbia Bankers Association. The convention will be held on Sept. 20-23.

The committee heads are all Washington bankers. They are:

General Convention Committee: Chairman, Robert C. Baker, executive vice-president, American Security & Trust Co.; vice-chairman, Hulbert T. Bisselle, senior vice-president, The Riggs National Bank.

Executive Committee: Chairman, John A. Reilly, president, The Second National Bank of Washington; vice-chairman, G. A. Didden, Jr., president, National Capital Bank.

Arrangements Committee: Chairman, A. S. Offutt, president, Anacostia National Bank of Washington; vice-chairman, Robert H. Lacy, vice-president, The National Metropolitan Bank of Washington.

Entertainment Committee: Chairman, Corcoran Thom, Jr., vice-president, The Riggs National Bank; vice-chairman, Barnum L. Colton, president, The National Bank of Washington.

Finance Committee: Chairman, R. A. Norris, president, Lincoln National Bank; vice-chairman, W. L. Sanderson, vice-president, Hamilton National Bank.

Halls and Meeting Places Committee: Chairman, J. D. Bowersock, executive vice-president, Union Trust Co.; vice-chairman, John C. McCormack, vice-president, The Riggs National Bank.

Hotel Committee: Chairman, Frank

M. Perley, vice-president, American Security and Trust Co.; vice-chairman, Daniel J. Callahan, Jr., vice-president, The Riggs National Bank.

Information and Publicity Committee: Chairman, W. H. Pardoe, vice-president, National Savings & Trust Co.; vice-chairman, Archibald McLachlen, vice-president and treasurer, McLachlen Banking Corporation.

Reception Committee: Chairman, W. J. Waller, president, Hamilton National Bank; vice-chairman, C. H. Pope, chairman and president, Munsey Trust Co.

Registration Committee: Chairman, T. J. Groom, president, Bank of Commerce & Savings; vice-chairman, F. P. H. Siddons, vice-president, American Security and Trust Co.

Transportation Committee: Chairman, George M. Fisher, senior vice-president, The Washington Loan & Trust Co.; vice-chairman, J. C. Pyles, Jr., vice-president, The City Bank.

New Direct Mail Promotion

A new anniversary folder that can be adapted to any anniversary, whether it be the 5th, 10th, 25th, 50th, or 100th, was issued last month by the Advertising Department of the A.B.A. The color motif is silver, blue, and white.

Other new direct mail pieces recently published by the Department include: (1) a new "Bank-by-Mail" folder, (2) a home improvement loan folder ("Jot It Down"), (3) a "Bank Auto Loan Plan" folder, and (4) an attractive folder entitled "Bee in Your Bonnet?" featuring four types of loans; namely, auto loans, home improvement, equipment, and personal loans.



The A.B.A. Committee on Service for War Veterans at its annual meeting in Richmond, Virginia, March 19-20, reviewed legislative proposals and operations of the veteran program which are of interest to banks, including educational training and the GI Loan program. Those present, left to right around the table, were: A. G. Brown, A.B.A. deputy manager in charge of the Agricultural Commission; Walter T. Robinson, chairman, Citizens State Bank, Donnellson, Iowa; Edward W. Nippert, vice-president and trust officer, Fifth Third Union Trust Company, Cincinnati, Ohio; S. Guernsey Jones, vice-president, National Newark & Essex Banking Company, Newark, New Jersey; T. B. King, director, Loan Guaranty Service, Veterans Administration; J. O. Brott, general counsel, A.B.A., and secretary, Committee on Federal Legislation; George B. Ward, secretary, A.B.A. Committee on Service for War Veterans; Edwin P. Neilan, committee chairman, and executive vice-president, Equitable Security Trust Company, Wilmington, Delaware; William Powers, deputy manager, A.B.A., and director of Customer and Personnel Relations; Earl B. Schwulst, chairman and president, Bowery Savings Bank, New York; Elmer S. Carll, president, Industrial Trust Company, Philadelphia; Frank H. Jenne, vice-president and manager, Yakima Valley Branch, Seattle-First National Bank, Yakima, Washington

Financial Study Guide

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surance; (b) three sections covering various aspects of investments. It is being compiled by the Association of Stock Exchange Firms; and (c) one section each on bank and trust company services, wills, and real estate and mortgage services. The latter group of sections is being prepared in cooperation with several A.B.A. departments.

A special committee of the Association of Bank Women is cooperating with the Council in the development of this guide. It is anticipated that this project will be a forerunner for similar programs for other women's groups. The Council is endeavoring to make this material sufficiently all-inclusive as to make it unnecessary for women's clubs to bring in outside experts in order to conduct a financial forum.

A.I.B. Convention Debate Contests Reach Semifinals

The 1953 national debate program of the American Institute of Banking is now well under way, with individual chapters having completed qualifying debates on five approved subjects, first step in choosing the two teams which will compete for the Jesse H. Jones National Convention Debate Fund prizes on June 9 in Cleveland at the Institute's annual convention.

Whatcom County (Bellingham, Wash.) and Chicago chapters will represent their districts in the semifinal contests. New York lost to Boston chapter and Dallas lost to Memphis chapter in intra-district elimination contests on April 18 to choose semifinalists in these districts.

President Brenton Outlines 3-Point, 25-Year Business Leadership Plan for Large and Small Banks

"During the last 25 years, we have experienced a deficiency in potent business leadership," says W. Harold Brenton, president of the American Bankers Association. "For the next 25 years, I would like to propose a plan which any bank, large or small, can develop for itself. Here it is—a three-point program:

"(1) To attract and carefully select more men and women for financial leadership. Careers in banking should be made enticing in order to bring into the banking field larger numbers of men and women who have potentialities for financial leadership.

"(2) To train men and women with know-how in our widening field of finance. Every bank should maintain a training program which keeps its staff abreast of enlightened economic thought and practice.

"(3) To disseminate financial and economic information. Bankers should become more available as sources of public information on financial and economic problems.

"I have tried to state this plan very simply so that the idea can be visualized easily: to attract men; to train men; to disseminate information. The doing of it though won't be so simple. Each bank needs to develop a plan in its own way. I am not so concerned with which one of the many ways a bank might choose to do this. My concern is whether enough bankers will visualize the need for a plan, and then bestir themselves sufficiently to follow through on a program over a long period of time."

Mr. Brenton is president of the State Bank of Des Moines, Des Moines, Iowa.

Semifinalists receive \$100 in expenses plus transportation to and from Cleveland, where the semifinals will be held on Monday of the convention week. The winning teams will then compete on Tuesday for the Jones prizes of \$300 for the winning team and \$200 for the losing team.

The five approved subjects to be used for the 1953 debate program are:

(1) Resolved, That the Federal Government limit its subsidies to state and municipal governments; (2) resolved, That the United States adopt a tax

program designed to avoid duplication among Federal, state, and municipal governments; (3) resolved, That the United States return to the gold standard; (4) resolved, That all legislation establishing fair trade practices be repealed; (5) resolved, That the electoral college be abolished.

The entire debate program is under the direction of the A.I.B. National Debate Committee, of which John F. Conway of The First National Bank of Boston, Mass., is chairman. The Committee also has four vice-chairmen.

News for Trustmen

Items and Comment from Our Trust Division and Other Sources

Industrial Pension Plan Trends Show Liberality, Says Bankers Trust Co.

Pension practices in American industry have been further liberalized during the past several years. Marked changes are highlighted in the new survey, *A Study of Industrial Retirement Plans—1953 Edition*, which has been compiled and published by the Pension Division of Bankers Trust Company, New York.

Trends

The survey, released recently shows the following trends:

(1) Pension benefits of older plans are being adjusted upward both as to past service and future service benefits. Of the 138 older conventional plans included in the survey, 96 were so amended in the past few years.

(2) Fewer plans are requiring employee contributions on the first \$3,000 or the first \$3,600 of annual compensation. Of the conventional plans covered by the survey, 60 percent required no employee contributions on the first \$3,000 or \$3,600 of annual compensation. This compares with 45 percent of the plans covered by the previous Bankers Trust survey for the period 1948-1950. However, the number of plans that accept no contributions whatever from any employees have not increased. They represent about 35 percent of the conventional plans.

(3) More companies are providing pension benefits for all or substantially all classifications of their employees. In the Forties, a number of companies established plans covering only salaried employees or salaried employees earning over \$3,000 per year. Of the companies which adopted new pension programs for the first time in the 1950-1952 period, about 92 percent covered all employees. Many of the companies with old pension programs with limited coverage amended these programs in the past few years to provide coverage for all employees.

(4) The requirements for eligibility in conventional plans are being liberalized. The use of an age requirement is diminishing. In those plans which have an age requirement, the tendency is to favor an age in the area of 25 to 30. Many of the plans continue to have a service requirement, but the tendency has been to reduce the requirement. Of the plans which have a service requirement, 64 percent require two years or less of service.

(5) Minimum pensions are included in a greater number of conventional plans. In the plans of the survey, 63

Two New Forms of Corporate Fiduciary Endorsement Have Been Negotiated by A.B.A., Benefiting 2,900 Banks

Two new standard forms of endorsement for corporate fiduciaries, known as "Fidelity Liability of Banks," have been negotiated by the American Bankers Association with the National Bureau of Casualty Underwriters, according to James E. Baum, A.B.A. deputy manager in charge of the Insurance and Protective Department.

One of the forms is designed for attachment to the Comprehensive General-Automobile Liability Policy and the other is intended to amend the Comprehensive General (without automobile) Liability Policy. The Endorsements became available late in April.

"The new endorsements," said Mr. Baum, "will make available to about 2,900 banks now exercising trust powers, coverage similar to that enjoyed by most of the larger trust institutions. Banks or trust companies now carrying special forms of endorsements which they prefer to continue may do so. The committee urges, however, that the question of continuing present forms be decided only after close scrutiny and comparison with the new endorsements.

Automatic Coverage

"The Fiduciary Liability of Banks endorsements are intended to cover automatically any and all liability on the part of a bank or trust company arising out of injuries or damages alleged to have been suffered in connection with the ownership or management of properties in estate, trust and agency accounts. The endorsements make the coverage applicable to interests of other parties in estates, trusts, and real estate management contracts."

Continuing, Mr. Baum said:

"There are some limitations on the broad coverage outlined which are spelled out in the endorsements. For instance, the endorsements specify that

percent had minimums. The comparable percentage in the 1948-1950 survey was 28 percent.

(6) Maximum limitations on pensions are being liberalized further. Of the new conventional plans, 63 percent had no maximum limitations on pensions. Of the 138 older conventional plans covered by the survey, 60 liberalized their maximum pensions. Of these 60, 22 companies eliminated the maximum limitation entirely.

the liability policies do not apply to any executive officer or other employee of the persons and organizations . . . engaged in a business other than the bank's and who is injured in the course of such outside employment. . . .

"In other words, the insurance companies are willing to cover liability, except on automobiles, of officers and employees of the insured bank for cross claims of other bank officers and employees, but are not willing to cover such cross claims between officers and employees of the various additional interests insured in the endorsements, such as real estate management agents and other organizations responsible for acts of the insured bank in a fiduciary capacity.

"Despite the broadening of the basic policy so as to include all other parties that may be joined in a suit because of their common interest with the bank, no additional premium is charged for insuring such added interests, except for coverage extended to include employees of the bank."

Questions on Common Trust Funds Answered by A.B.A.'s Trust Conference Panel

We present this month additional questions on common trust funds which were answered at the Mid-Winter Trust Conference of the A.B.A. in New York by a panel of trustmen led by Charles F. Zukoski, Jr., chairman of the A.B.A. Trust Division's Committee on Common Trust Funds and senior vice-president and trust officer of the First National Bank, Birmingham, Alabama.

Q. With so much experience behind the use of common trust funds, is there any longer a good reason for restricting their use to \$100,000 in any one trust?

A. There was a difference of opinion expressed on this point. One panel member felt that if the common fund is good for trusts under \$100,000, it should be good for trusts over that amount. He thought that the test was rather one of not having any single trust representing too large a percentage of the total participations in the common fund. Other members felt that

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News for Instalment Credit Men

Items and Comment from Our Instalment Credit Commission and Other Sources

Columbia University Plans Credit Management Course for Forty-four Executives

Arden House, on the Harriman Campus of Columbia University, will be the scene on July 26-30 of a consumer credit management course which is open to 44 business executives.

The program will be directed by Dr. John M. Chapman, associate professor of banking, and will consist of 15 morning, afternoon, and evening sessions devoted to intensive coverage of areas directly affecting consumer credit policies and practices. The number of executives who can attend is limited purposely to assure maximum participation in the discussions.

The faculty will be drawn from business and education. Philip Young, dean of the University's Graduate School of Business, says that "this new undertaking is an excellent example of cooperation between business and business education to the mutual advantage of both."

Louis J. Asterita, A.B.A. deputy manager and secretary of its Instalment Credit Commission, is a member of the executive committee which is organizing the program.

Information about the program, including application for attendance and costs, may be obtained from Dean Young, Columbia U.

Other Credit Meetings

New York University on April 8-10 held its 1953 National Consumer Credit Conference. The University billed the 3-day meeting as an "economic retreat" which had as its central theme "The Role of Consumer Demand and Consumer Credit." There were 17 cooperating organizations including the A.B.A.

The University of Southern California is planning a national credit conference for 1954 in Los Angeles.

Cornell University is considering a consumer credit conference on a state basis. The date is tentatively set for October 28-29 at Ithaca, New York.

The University of Pennsylvania on April 17 held a Pennsylvania Educators Symposium on Consumer Credit. The announced aim of the symposium was to "stimulate interest among the colleges and universities of Pennsylvania as well as among its high schools, in instituting and developing consumer



Wm. McChesney Martin, chairman of the Board of Governors of the Federal Reserve System, testifying before the Senate Banking and Currency Committee. He said, in small part, "the Board is not seeking authority to reinstitute at this time regulation of consumer credit or real estate credit" and "if Congress decides to enact legislation to give emergency powers to the Board . . . the Board recommends that the powers be granted without the limitations upon terms that have previously seriously hampered administration of this kind of regulation"

Quotes from Addresses at Instalment Credit Meeting

Here are some short but potent quotes from the recent National Instalment Credit Conference in Chicago.

EVERETT D. REESE, vice-president of the A.B.A., and president, Park National Bank, Newark, Ohio.

Speculation and excessive credit have brought on every collapse in this nation's history. Go back to 1920, and it was these same two factors again, but in the securities market and real estate. Instalment credit has never been the cause, but it has never been tested under such conditions of free competition and plentiful goods as we have today. Let's not make it possible for

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credit courses in their curricula, or at least an organized treatment of consumer credit in appropriate courses now being taught. Since it is generally recognized that consumer credit is a permanent, integral part of our national economy, its wise extension is of primary importance in maintaining our current high level of employment and standard of living."

Caution Urged for Banks Contemplating a Merchants Charge Account Service

Just prior to the opening of the A.B.A. National Instalment Credit Conference in Chicago, a seminar on merchants charge account service plans was sponsored by Craig Files, a division of Craig Machine, Inc., of Danvers, Massachusetts.

Some 600 people attended the seminar and many were glad to share their experiences in the operation of such plans. Most were either definitely for, or against. The sponsor, however, which sells equipment to operate such departments, urged caution. The firm warns of many pitfalls and urges that bankers should proceed with care.

A panel of experts in this field discussed various phases of such an operation before a discussion period was conducted. A few random quotes will sum up banker experience with the charge account plans.

"Every consideration should be carefully weighed, because once this program is instigated, all bridges are burned behind you. There is absolutely no retreat."

"I believe very strongly that the profit motive should not be the prime factor for a bank's entering into this program—that just to be first in a community could be very dangerous. It appears to me that there should be a real and honest need for this service before any bank embarks upon this course."

"We have had some interesting increases in our instalment loan department, and it has been rather surprising to us."

"We worked 24 hours a day and got into operation in about two months."

"It has long been my dream that every creditworthy individual should have a line of credit at his bank and know what it is. . . . Although this new plan is not Utopia by any stretch of the imagination, it seem to approach this feeling, to a degree at least."

"One of my reasons for being here is to pass on to you some of my thinking on the negative side of this program, and to put into the picture the words 'caution,' 'go slow,' and 'hold back.'"

There it is. Most bankers having plans were definitely pro or con. The sponsor, a seller of equipment used in such operations, urged caution.

Instalment Credit Quotes

(CONTINUED FROM PAGE 93)

instalment credit to be held responsible for serious economic troubles. For the privilege of conducting our business without restrictions in a free economy, we owe a responsibility of proper restraints at the proper time. Thinking of the soundness of the individual with whom we are dealing will in turn make a strong economy and a constructive and profitable business for the future.

WILLIAM F. KELLY, chairman A.B.A. Small Business Credit Commission, and executive vice-president of The Pennsylvania Company for Banking and Trusts, Philadelphia.

This is no time for unreasoning retrenchment or withdrawal. I am confident that time will never come. The magnificent record of achievement in instalment credit has built great confidence among bankers themselves—in the inherent soundness and stability of this business. Added to that is the goodwill and support of the public as well as that of countless dealers, distributors, manufacturers, and others whose business fortunes are dependent upon the availability of this credit. What we are facing is a bit of a transition period—a time when we should coolly appraise our capacities and our objectives, having in mind the preservation of our present sound and strong positions.

Survey by New York Bankers Association Finds Little Cause for Alarm Over Delinquencies

The New York State Banker, published by the New York State Bankers Association, conducted a symposium on instalment credit delinquencies. It asked several questions.

(1) How serious do you consider delinquencies at the present time? Most were not alarmed.

(2) How do you view the outlook? Most considered it principally seasonal, but one banker said that "since personal income is at a peak, the outlook can hardly be one for improvement."

(3) What do you consider the reason for the situation at this time? The views were mixed on this; such as: Seasonal; banker over-liberal in extending credit; high-pressure credit selling; "too many people have been overburdened with too much consumer credit and they are merely able to keep solvent by borrowing from Peter to pay Paul."

(4) What are you doing about it and what do you think can be done? A more careful analysis of applications is suggested. A greater degree of selectivity.

(5) What is the standard procedure you follow when a delinquency is discovered? One banker said: "A series of two notices are sent on the sixth and eleventh day and if no response

results we put the account into special handling on the sixteenth day." Another said: "Delinquency is not a problem with us." Another allows a 7-day grace period, then sends letters, then phone calls, and then sends adjuster. Most use an adjuster or in some other way contact the delinquent to see if the loan is set up improperly and can be changed to be more convenient for the borrower.

The Banker also interviewed John B. Paddi, vice-president of Manufacturers Trust Company, chairman of the NYSBA Consumer Credit Clinic Program Committee, and member of the A.B.A. Instalment Credit Commission. Mr. Paddi, in part, had this to say: "If a middle-of-the-road course is decided upon, the following program might well be considered in order to be better prepared to meet future contingencies:

(1) Eliminate marginal business; (2) be more selective on dealer paper; (3) be more persistent in collection follow-ups; (4) investigate more thoroughly; (5) insist on full disclosure of other debts, and trim loan proportions accordingly; (6) determine that reasonable standards of selectivity will be maintained regardless of competitive and trade pressure."

News on Savings Banking

Items and Comment from Our Savings and Mortgage Division and Other Sources

New York Banks Find Books of Preprinted Deposit Tickets Cut School Savings Work and Win Educator Approval

The Lincoln Savings Bank of Brooklyn, New York, has adopted a novel method of handling school savings deposits that has proved successful since its inception last September. The plan, which includes three basic forms, is described in a folder addressed to parents.

The Franklin National Bank of Franklin Square, New York, is operating a similar plan in 21 Nassau County schools. It was tested in one school a year and a half ago and last September introduced in the other 20.

The Lincoln Savings forms are: (1) Signature card, which must be signed by the child and both parents; (2) authorization card, which provides space for the child's name, the amount of the weekly deposit—25 cents, 50 cents, and \$1—and the signature of one parent; and (3) deposit ticket coupon

book. The bank intends to increase the available deposit denominations by adding \$2 and \$5 coupon books.

The coupon book contains a preprinted deposit ticket for each bank day during the year, thus making it unnecessary for school personnel to become temporary bank clerks or to fill out forms, deposit tickets, etc., to report these transactions.

Deposits may be made in multiples of the amount indicated on the coupon book.

Each school saver will receive a new book at the beginning of the school year and previous savers will automatically get a book for the completion of the authorization specified in the previous year's book.

Lincoln Vice-president and Cashier John A. Elbe says that "Educators ac-

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19-Year Old Ad Campaign Lands a \$1G Thrift Deposit

The Green Point Savings Bank of Brooklyn, New York, recently discovered that a 19-year-old advertising campaign could still bring in a customer. In 1934 the bank conducted a promotional campaign having as its theme: "What Would I Do If I Had \$1,000?"

When the mail was opened at Green Point one recent morning, there was a letter that read:

"Some 18 years ago I entered a contest sponsored by your bank, 'What Would I Do If I Had \$1,000?' ...

"Well ...
"Enclosed you will find check for \$1,000. Kindly open a savings account for me. . . ."

The depositor won a \$5 prize for his entry in the promotional campaign. For his \$1,000 deposit he received a gracious "thank you" letter from Secretary John W. Raber, together with his bank book showing the deposit.

School Savings Authorities Report On How They Attract Parent, Pupil, Educator Favor

The scope of and interest in the National School Savings Forum in New York under the auspices of the Savings and Mortgage Division of the A.B.A. was expanded considerably by the spontaneous participation of bankers and educators.

In addition to the Forum report in April **BANKING** (page 97), here is how three banks are arousing interest in their school savings programs, as reported from the floor:

Agnes R. Martin, assistant vice-president of the Philadelphia Savings Fund Society, which has had school savings banking for 50 years and serves 145 Philadelphia schools, reported on techniques employed by the Society to keep enthusiasm high among teachers and pupils. Briefly here are some methods mentioned by Miss Martin:

Society has been able to use school time for assembly talks; it has given talks at parent-teacher meetings; and invited students handling the thrift work in the schools to visit the bank. The bank has produced several thrift films and has just completed a new film, "At Your Service," which was recently featured on "bank day" by the Board of Education as a part of its TV program in an elementary school.

One of the Society's most successful projects is its annual thrift poster exhibit, to which hundreds of art students submit thrift ideas in poster form. After being exhibited at the bank, posters are reproduced and distributed throughout the school system. A one-year art scholarship is the top prize.

"In sponsoring this project," she said, "we are particularly fortunate that both the school board and the bank view this work in the same light and evaluate it first of all for its educational and character-building possibilities."

Teenage Banking

Thus far few banks have been unsuccessful in devising a school savings program that is attractive to the students of junior and senior high schools. When the panel took up the question of how to extend this service to the higher grades, John G. Gmelch, school savings director of The Greater New York Savings Bank, Brooklyn, told how his bank has interested the pupils in two high schools in thrift banking.

He gives a series of addresses on "Banking and Economics" in the schools, both to instruct the pupils on the function of money and to acquaint them with his bank's services. In talking with the teenagers, he readily ad-

Savings News Briefs

Legislation

There have been a large number of bills introduced in the 83rd Congress which, if passed, would have a big influence on savings activities.

However, only a small portion of bills introduced are passed, and there is no way of knowing at this time which will receive approval.

Bills introduced cover the following:

Change name of Federal Savings and Loan Insurance Corporation to Federal Savings Insurance Corporation.

Discontinuance of the Postal Savings System.

Provide for insurance through share balances in Federal Credit Unions.

Tax equalization of savings institutions.

Limit establishment of branches by Federal savings and loan associations.

Mutual Savings Gains

Deposits in 528 mutual savings banks in the nation increased \$114,000,000, during February. This is the largest gain for any February since records of monthly figures were started in 1947.

Interest Computations

The Savings and Mortgage Division has completed revision of the report *Methods and Procedures in Computing Interest on Savings Deposits*. It lists the most favored methods of figuring interest by banks, as revealed by a recent survey, and gives detailed information on how they are arrived at.

mits that school savings banking is juvenile, but he sells them on how savings fits into their scheme of things by helping them to save for gifts, school proms, college, etc. He feels that the contacts in the high school programs are far more important than the actual deposits.

In answer to the question: Are banks thorough enough in acquainting the public, particularly parents, with the aims of the school savings program, a Philadelphia educator said they have a series of TV programs beamed by the board of education to the classrooms.

"One of the things we do to acquaint students with our school thrift program is to sponsor bank visits," said Irma S. Robins, assistant director of public relations, Franklin National Bank, Franklin Square, New York. "We have had over 1,000 students go through the bank in one month and we invite the parents to go through with them. It is amazing how many parents come along to see what it is their children are learning as they go through."

Build Savings By Aggressive Ad Campaign, Ray Dunkerley Tells Bankers at Pittsburgh

"If the commercial banks will go after savings deposits in the months ahead, they will, in most cases, garner all the savings they want," said J. R. Dunkerley, deputy manager of the American Bankers Association and secretary of its Savings and Mortgage Division, when addressing the Bankers' Forum of Pittsburgh Chapter, American Institute of Banking.

Mr. Dunkerley recommended that banks build a savings business program including these points:

- (1) Design an aggressive campaign of advertising and promotion;
- (2) explore all media available;
- (3) consider school savings banking;
- (4) accept all savings offered within legal limits;
- (5) take more active part in community affairs;
- (6) tune up customer relations;
- (7) improve bank buildings;
- (8) analyze deposit liability;
- (9) analyze cost of operation;
- (10) review operation;
- (11) improve personnel situation.

In his comments under point 11, Mr. Dunkerley stated:

"(a) On the whole, our employees are well paid and have been getting excellent consideration, but let's make sure we keep ahead of this situation.

"(b) How many of our employees are attending the American Institute of Banking?

"(c) How many of our officers are attending The Graduate School of Banking?"

Preprinted Deposit Tickets

(CONTINUED FROM PAGE 94)

claim this plan because it gives new incentive to the thrift habit in that it features a regular deposit amount each week."

Peter J. Wolf, manager of Lincoln's School Savings Department, reports that the bank's clerical time alone has been reduced more than 50 percent by the adoption of the new plan for deposits in school savings. More than 70 percent of the pupils are now following the systematic savings program, as compared with only 40 percent previously, and 85 percent of the savers participate weekly.

With the exception of the war years, Lincoln has promoted school savings banking as a step in youth development for over 25 years.

Although Franklin National at present has only a 25 cent coupon book, plans are afoot to add 50 cent and \$1 books. Each book has \$10 worth of deposit tickets and some children have used up four or five books in a term.

News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

Mortgage News Briefs

FHA and VA Mortgages

The Federal National Mortgage Association has temporarily suspended over-the-counter purchase of mortgages insured by FHA and those guaranteed by VA.

FNMA said the action was taken as a precautionary measure pending a thorough review of its buying policies. No indication was given as to when buying would be resumed.

Mortgages covering defense, military, Alaska, disaster housing, those covered by FNMA commitments, and those delivered against the agency's purchase receipts are not affected by the suspension.

FHA Debenture Rate

Effective March 23, 1953, the interest rate on FHA debentures, issued on foreclosed real estate, was raised from 2½ percent to 2¾ percent. Presently outstanding debentures are not affected.

Activity

The number of new homes started in March reached 97,000. This is higher than February of this year, in which 77,000 starts were recorded, and compares with starts in March 1951 of 93,800.

Public Housing

The Eisenhower Administration reduced the previous budget figure of 75,000 public housing units down to 35,000. The new recommendation was submitted to the House Appropriations Subcommittee.

Foreclosures

The Home Loan Bank Board, Washington, D. C., reports non-farm real estate foreclosures in the United States during 1952 at 18,135. This represents practically no change from the 1951 total and is a decline of 16 percent from the volume of foreclosures of 21,537 reported in 1950.

VA Loan Forms

The Veterans Administration has issued Technical Bulletin 4A-134, which requires the use of newly prepared forms for loan applications and loan reports for home, farm, and business loans for use

of lending institutions. The new forms must be used in processing after April 15, 1953.

FHA-VA Loan Summary

The Savings and Mortgage Division has mailed to mortgage officers and mutual savings banks revisions to April 1, 1953, of the publication *Summary National Housing Act and Servicemen's Readjustment Act*. The current edition of this popular "Summary" was published in November 1952, and gives the outstanding features of all FHA and VA loans.

Recordings

The volume of nonfarm mortgage recordings of \$20,000 or less for the month of January, as reported by the Home Loan Bank Board, totaled approximately \$1,401-million—an increase of 8 percent over the same month of 1952. It represents an increase of 50 percent above the volume of five years ago. The greatest increase was in the San Francisco area, which recorded 17 percent above January 1952, followed by the Chicago area with a rise of 16 percent.

Legislation

There have been a large number of bills introduced in the 83rd Congress which could have a big influence on mortgage lending.

However, only a small portion of bills introduced are passed, and there is no way of knowing at this time which will receive the approval of the various committees.

Bills introduced include the following:

Extending and increasing the allotment on FHA Title I loans for home modernization and improvement.

Requiring warranty for sound construction on all FHA and VA mortgages on new homes.

Requiring that mortgagors have an equity investment in military housing insured under FHA Title VIII.

Extending the authority to make direct veterans loans to June 30, 1955, with additional funds made available.

VA's Loan Guaranty Service Releases Data on GI Home Applications and Lenders

The Loan Guaranty Service of the Veterans Administration recently released a booklet containing a store of data on the GI loan program from its inception in June 1944 through December 25, 1952. These data include the following:

Guaranteed or Insured Home Loan History

(Cumulative as of December 25)

No. applications re'cd	3,117,450
No. loans closed	2,874,302
No. defaults reported	290,554
No. defaults cured or withdrawn	241,608
No. claims paid	15,147
(a) % loans closed	0.5
No. defaults and claims pending	33,789
(b) % closed loans outstanding	1.3

Home Loans Reported Under VA Loan Guaranty Program

(Cumulative through December 25, 1952)

	Total (501 & 507)	1st Mtge. (501)	2nd Mtge. (507)
No. loans closed	2,874,302	2,461,537	412,765

Lender Distribution (All Originations)

	30.4%	30.5%	29.2%
Comm'l banks	30.4%	30.5%	29.2%
S&L ass'ns	27.1%	29.8%	11.1%
Mtgs. & R. E. cos.	25.0%	22.9%	38.0%
Mutual savings banks	9.7%	10.5%	5.3%
Insurance cos.	7.2%	5.8%	15.5%
Individuals, others	0.6%	0.5%	0.9%

Purpose of Loan

	47.7%	52.0%	22.1%
Purchase existing home	47.7%	52.0%	22.1%
New & proposed constr.	51.2%	46.7%	77.9%
Alterations & repair	1.1%	1.3%

Down Payment Status of Primary Home Loans (except alteration and repair loans)

100% loans	34.8%
Down-payment loans	65.2%

Every nation agrees excessive armaments lead to bankruptcy, so each one wishes to become as bankrupt as the other.

1950 Housing Census Is Published in Four Volumes and Is Available at U. S. Government Printing Office

The publication of four volumes based on the 1950 Census of Housing has been announced by the Bureau of the Census, U. S. Department of Commerce.

Volume I presents statistics on the general characteristics of housing. It is published in seven separately bound books, as follows: (1) One for the U. S. summary; (2) five for the States and the District of Columbia in groups by

alphabetical order; and (3) one for Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

Volume II present analytical data on housing and household characteristics for nonfarm occupied dwelling units. This volume is bound in five books, one for the U. S. and nine divisions, and four covering the 152 standard metropolitan areas of 100,000 inhabitants or more in groups.

Volume III obtains analytical data for occupied dwelling units in the rural-farm segment of the dwelling unit inventory.

Volume IV presents results of a sample survey of characteristics relating to the financing of residential nonfarm properties. Data are presented in terms of mortgaged properties, first and junior mortgages, and outstanding mortgage debt for both owner-occupied and rental properties.

These books may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

CALENDAR

American Bankers Association

June	8-12	American Institute of Banking, Annual Convention, Cleveland, Ohio
June	8-20	Graduate School of Banking, Annual Session, Rutgers University, New Brunswick, New Jersey
Sept.	20-23	79th Annual Convention, Washington, D. C.
Oct.	28-29	Western Regional Trust Conference, San Diego, Calif.
Nov.	5-6	Mid-Continent Trust Conference, Drake Hotel, Chicago
Nov.	16-18	National Agricultural Credit Conference, Chicago
1954		
Feb.	8-10	35th Mid-Winter Trust Conference, Hotel Waldorf-Astoria, N. Y. C.

State Associations

Apr. 30-	May 2	Alaska, Sitka Elks Club Building, Sitka
May	4-6	Colorado, Broadmoor Hotel, Colorado Springs
May	5-6	Tennessee, Hermitage Hotel, Nashville
May	6-8	New Jersey, Chalfonte-Haddon Hall, Atlantic City
May	7-8	Oklahoma, Mayo Hotel, Tulsa
May	11-12	Utah, Sun Valley, Idaho
May	11-13	Missouri, Muehlebach Hotel, Kansas City
May	12-14	Ohio, Netherland Plaza Hotel, Cincinnati
May	14	Delaware, Dupont Country Club, Wilmington
May	14	Rhode Island, Industrial Trust Company, Providence
May	14-16	Kansas, Wichita
May	15-16	North Dakota, Clarence Parker Hotel, Minot
May	18-19	California, del Coronado Hotel, Coronado
May	18-20	Mississippi, Buena Vista Hotel, Biloxi
May	21-22	Alabama, Battle House, Mobile
May	21-24	North Carolina, Carolina Hotel, Pinehurst
May	22-23	South Dakota, Marvin Hughitt Hotel, Huron
May	23-28	New York, Convention Cruise aboard the S.S. <i>Queen of Bermuda</i>
May	24-26	Texas, Rice Hotel, Houston
May	25-27	Pennsylvania, Chalfonte-Haddon Hall, Atlantic City
May	25-27	Arkansas, Arlington Hotel, Hot Springs
May	27-28	Indiana, French Lick Springs, French Lick
May 30-	June 4	Maryland, Cruise aboard the S.S. <i>Queen of Bermuda</i>
June	2-4	Illinois, Jefferson Hotel, St. Louis
June	6	Connecticut, Griswold Hotel, Groton
June	7-9	Idaho, The Lodge, Sun Valley
June	10-14	Dist. of Col. Claridge Hotel, Atlantic City

June	14-16	Washington, Empress Hotel, Victoria, B. C.
June	11-13	Mass., New Ocean House, Swampscott
June	12-13	New Hampshire, Wentworth-by-the-Sea, Portsmouth
June	12-13	New Hampshire Savings—as above
June	12-13	Wyoming, Connor Hotel, Laramie
June	15-17	Minnesota, Nicollet Hotel, Minneapolis
June	18-20	Montana, Canyon Hotel, Yellowstone National Park
June	18-20	Virginia, The Homestead, Hot Springs
June	19-20	Vermont, Equinox House, Manchester
June	21-23	Oregon, Eugene Hotel, Eugene
June	22-24	Wisconsin, Schroeder Hotel, Milwaukee
June	26-27	Michigan, Pantlind Hotel, Grand Rapids
June	26-27	West Virginia, Greenbrier Hotel, White Sulphur Springs
June	26-27	New Jersey Mutual Savings, The Monmouth Hotel, Spring Lake
June	26-28	Maine, Poland Spring House, Poland Spring
Aug.	8	Nevada, Las Vegas
Aug. 30-	Sept. 1	Maine Mutual Savings, Poland Spring House, Poland Spring
Sept.	10-12	Massachusetts Mutual Savings, Mt. Washington Hotel, Bretton Woods, N. H.
Oct.	14-15	Connecticut Mutual Savings, Mountain View House, Whitefield, N. H.
Oct.	17-23	New York Mutual Savings, Havana Cruise aboard S.S. <i>Nieuw Amsterdam</i>
Oct.	18-20	Kentucky, Brown Hotel, Louisville
Oct.	18-21	Iowa, Fort Des Moines Hotel, Des Moines
Nov.	10-11	Nebraska, Fontenelle Hotel, Omaha

Other Organizations

May	11-13	National Association of Mutual Savings Banks, Annual Convention, Shoreham Hotel, Washington, D. C.
July 27-	Aug. 8	FPRA School of Financial Public Relations, Northwestern University, Chicago campus
Sept.	21-24	Association of Bank Women, Annual Convention, Shoreham Hotel, Washington, D. C.
Oct.	11-14	Robert Morris Associates' Fall Conference, Chalfonte-Haddon Hall, Atlantic City
Oct.	11-15	Financial Public Relations Association, Annual Convention, Sheraton-Cadillac Hotel, Detroit, Michigan
Oct.	18-21	Consumer Bankers Association, The Cavalier, Virginia Beach, Va.
Oct.	19-22	Annual Convention, National Association of Bank Auditors & Comptrollers, Hotel Roosevelt, New York City
Nov.	9-13	Mortgage Bankers Association Annual Convention, Miami Beach, Florida
Nov.	16-18	40th National Foreign Trade Convention, National Foreign Trade Council, Inc., Waldorf-Astoria, New York City

Instalment Credit

Conference

More news and information about the 5th National Instalment Credit Conference, held in Chicago, March 23, 24, and 25, together with excerpts from some of the speeches, appear on pages 93 and 94.

THE record attendance at this year's National Instalment Credit Conference led BANKING to ask a question of some of the 1,345 bankers registered for the three-day meeting, March 23 to 25, at the LaSalle Hotel, Chicago. The question was:

"Approximately 300 more are attending this year's instalment credit conference than attended any previous one. How would you account for this?"

The question was put to bankers, picked at random, as they entered the conference room, rested during the "breaks," or strolled through the educational displays of bank equipment, services, and supplies (which were also more extensive at this conference than at any earlier one).

Some of the answers appear in the following paragraphs.

James M. Cumby, senior vice-president, Republic National Bank of Dallas, attributed the increase to "the desire for better understanding among manufacturers, distributors, dealers, and bankers of their respective and mutual problems; the fact that more younger bankers, free from traditions and prejudices, are accepting this evolution and its challenge."

Aubrey V. Kidd, vice-president, The Bank of Virginia, Richmond, said: "Mr. Reese [Everett D. Reese, vice-president of the American Bankers Association and president of The Park National Bank of Newark, Ohio] answered your question

when he said that instalment lending had not yet been 'tested.' Many bankers relatively new in the instalment lending field fear that the testing period may be approaching."

"I think," said **S. J. Kryzsko**, president, Winona (Minn.) National and Savings Bank, "that many bankers want to get first-hand information on the many charge account plans and whether or not to 'jump in.'"

Marshall Dugger, cashier of the First National Bank, Tuscumbia, Alabama, attributed the increase partly to the "realization that we are entering a new economic era."

Harold J. Weyeneth, assistant cashier of the First National Bank, Peoria, Illinois, credited the larger attendance to "the uncertain future." He pointed out that "10 easy years have just passed."

Excess profits taxes and the change in the Administration in Washington were two reasons given by **H. F. Dodd**, vice-president of the American National Bank, Sapulpa, Oklahoma.

Frank P. Powers, president of the Kanabec State Bank, Mora, Minnesota, and former treasurer of the A.B.A., attributed this year's high attendance to "a better feeling among bankers on account of the new Administration in Washington." He also gave credit to members of the Advisory Board to the A.B.A. Instalment Credit Commission, for "urging banker friends to attend."

H. E. Cox, cashier, Columbia (Mo.) Savings Bank, named two factors leading to the high conference attendance: (1) interest in new practices and policies and (2) a desire to know more about charge account credit plans. Much the same reasons were given by **John Antrim, Jr.**, assistant vice-president of the State-

Planters Bank and Trust Company, Richmond, Virginia, and **Joseph Jacobson**, vice-president, Industrial Trust Company, Providence, R. I.

Claude L. Stout, executive vice-president of the Colorado Commercial and Savings Bank, Colorado Springs, mentioned "Realization by banks in general that consumer credit is a profitable field and one productive of goodwill, and a volume builder for all bank services."

Need for care in granting instalment loans, closer attention to collections and loans past due, with a possible need for shorter terms, were given in answer to the question by **T. W. Baxter**, assistant vice-president, First National Bank, Waterloo, New York.

Not only the profit potentialities but also the "customer building possibilities" of instalment lending were credited for the high attendance by **E. M. Landis**, vice-president, Anglo California National Bank, San Francisco.

Walter Schlechte, president of the Old National Bank, Evansville, Indiana, thought that contributing factors were the greater interest in instalment lending and the desire to learn more about "charge account service."

A. F. Kaiser, president of the First National Bank, Bagley, Minnesota, sees those attending as trying "to keep abreast of current trends in the instalment field," and **Lloyd L. Neuman**, vice-president of the Lafayette (Indiana) National Bank, spoke of "a sharp interest in the various community charge plans."

Edward A. Amar, assistant vice-president, National Bank of Commerce, New Orleans, believes that bankers who have attended past conferences have told others of the benefits.



ABOVE: A fraction of the 1,345 registrants during one of the "breaks" in the busy conference schedule

TOP RIGHT: At the first morning's session, speakers were Everett D. Reese, vice-president, American Bankers Association, and president, Park National Bank, Newark, O. (at extreme left in picture), who spoke on "Common Sense in Instalment Credit"; John L. McCaffrey (second from left), president, International Harvester Company, with the subject, "Retail Financing of Farm Equipment"; J. J. Nance (center), president, Packard Motor Car Company, discussing "The Challenge to Industry and Banking." Presiding at the first session was Paul M. Welch (second from right), chairman of the A.B.A. Instalment Credit Commission and vice-president, The Citizens & Southern National Bank, Atlanta. At extreme right is Carl M. Flora, who appeared on the program Tuesday morning

The Three Morning Sessions

LOWER LEFT: The second morning's session, presided over by Mr. Reese (second from right), heard C. A. Rude (left), chairman, executive committee, Security-First National Bank, Los Angeles, who spoke on "Bank Loan Policy for 1953"; John H. Ashbaugh (center), vice-president, Westinghouse Electric Corporation, Pittsburgh, whose topic was "The Appliance Industry and Its Future"; and Carl M. Flora (extreme right), whose subject was "Advisory Board—Its Organization and Functions." Second from left is Commission Chairman Welch

LOWER RIGHT: Homer Livingston (third from left), president, The First National Bank of Chicago, presided at the third and final morning session. Speakers were William F. Kelly (left), chairman, A.B.A. Small Business Credit Commission, and executive vice-president, Pennsylvania Company for Banking & Trusts, Philadelphia, who spoke on "Management Policies and Problems"; G. Ardee Ames, vice-president, General Motors Acceptance Corporation, whose subject was "Our Responsibility to Consumer Credit"; and Dr. Earl L. Butz (right), economist of Purdue University, who talked to the session on "Economic Aspects of Instalment Credit"



ALL PHOTOS BY JON



AT THE AFTERNOON PANEL DISCUSSIONS, speakers at which appear on this page, questions were asked from the audience by means of "roving mikes"



2. ABOVE: The first afternoon's second panel covered "Beneficial Aspects of Direct Lending (Automobile, Property Improvement, Cash Loans, Small Business Loans)." Speakers were (left to right in the photo above): G. Schuyler Blue, vice-president, American National Bank, Indianapolis; Ellis B. Ridgway, Jr., vice-president, Girard Trust Corn Exchange Bank, Philadelphia; Cyril J. Jedlicka, vice-president, City National Bank & Trust Company, Kansas City, Mo.; and A. J. Guffanti (moderator), vice-president, Springfield (Mass.) National Bank



1. ABOVE: The first panel on the first afternoon had the subject, "Problems of Small and Medium Sized Banks in Instalment Credit." Participants were (left to right): A. E. Dahl, president, Rapid City (S.D.) National Bank; Ralph V. Arnold, president, First National Bank, Ontario, Cal.; Richard W. Trefz, (moderator) president, Arkansas Valley Bank, Pueblo, Colo.; Paul R. Geisinger (session chairman), vice-president, The National City Bank, Cleveland, Ohio; and Nicholas A. Jamba, vice-president, The National Bank & Trust Company, Norwich, N. Y.



3. ABOVE: The second afternoon of panel discussions began with the subject, "Systems, Procedures, and Controls." Participants (left to right) were Thomas W. Gormly, vice-president, Peoples First National Bank & Trust Company, Pittsburgh; Aubrey V. Kidd (moderator), vice-president, The Bank of Virginia, Richmond; Charles E. Finley, president, Industrial State Bank, Kalamazoo, Mich.; and Joseph Jacobson, vice-president, Industrial Trust Company, Providence, R. I.

4. LEFT: The final panel of the conference, on the Tuesday afternoon program, was on "New Horizons in Consumer Credit (Charge Account Credit Plans)." Taking part were (usual order): Edward J. Frey, president, Union Bank of Michigan, Grand Rapids; R. T. Mayfield (chairman for this session), vice-president, First National Bank, Fort Worth; Jo Abbott (moderator), vice-president, Valley National Bank, Phoenix, Arizona; John C. Biggins, vice-president, County Bank and Trust Company, Paterson, N. J.; and Arthur T. Roth, president, The Franklin National Bank, Franklin Square, N. Y.



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Independent Bankers' Convention

THE Independent Bankers Association, at its national convention in Atlanta, endorsed the Capehart bill (S.1118) to regulate holding companies. The delegates directed their officers to "do all in their power to secure its enactment."

The convention also expressed "increasing anxiety" over the growth of multiple banking and "circumventions of the limitations" placed on

branch banking by state and Federal laws. It expressed opposition to establishment of savings and loan association branches except on the same basis as those of commercial banks.

In other resolutions the IBA members asked that Savings Bonds be made eligible for collateral; called for equality in taxes as between organizations; and opposed a House

bill to eliminate listing of national banks' shareholders, asking that the present law be amended to provide for use of duplicates of the lists prepared for annual meetings.

The IBA's new president, D. Emmert Brumbaugh, president of The First National Bank of Claysburg, Pennsylvania, told the convention:

"We intend to meet the evils of holding companies by a continued and determined effort to have suitable legislation enacted. In this connection congressional investigation of the affairs of a few holding companies would not only be desirable but would serve a useful purpose."

"It is admitted," he said, "that there are some occasions when branch banking may be the only answer to providing banking facilities in some communities. On the other hand, there should be vigorous opposition to any organized campaign to extend the branch banking system by invading a community and buying up bank stock, solely for the purpose of taking over a bank and converting it to a branch as a means of enlarging the parent institution."

"Since branch banking," he continued, "thrives on the weakness of unit banks, it is our duty as members of the Independent Bankers Association to resist any attempts to convert our institutions into a branch of a larger bank by surrendering meekly to appeals to sell our stock for that purpose."

Mr. Brumbaugh asserted that it "should be readily apparent that, for the good of America, unit banks

(CONTINUED ON PAGE 104)

D. Emmert Brumbaugh



COLOMBIA MEANS BUSINESS

LET US HELP YOU INCREASE YOURS

OPPORTUNITIES in Colombia for U. S. business are increasing every year. Trade connections are becoming more profitable. With an eye on your business future there, why not let us assist you with your collections and letters of credit?

For instance in making collections, we have an outstanding record of combining efficiency with tact, courtesy with results—a proven faculty for settling unpaid accounts quickly and retaining good-will.

As for letters of credit, consider the convenience of our 29 offices located in every important commercial centre in Colombia. This exceptional coverage is a great advantage too in furnishing current and comprehensive trade information.

In fact whatever your requirements, we have special departments handling every phase and facility of banking. More and more progressive U. S. banks and business firms are making use of our extensive organization established for over 40 years.

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BANCO COMERCIAL ANTIOQUEÑO

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Cable address for all offices — *Bancoquia*

Capital paid-up:	\$20,000,000 — Pesos Colombian.
Surplus:	\$15,000,000 — Pesos Colombian.
Other reserves:	\$6,858,000 — Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (2), BOGOTA (3), Bucaramanga, Cali (2), Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Magangué, Manizales, Medellín (1), Montería, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (8).

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2. **Collected** from this box at frequent intervals, day and night, every day.
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may not have established a correspondent relationship with The First. Next time—simply mail them with a separate letter of transmittal to:

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Department • Operational Procedure Surveys • Assistance
in Handling New Types of Loans • Wire Transfers • Safe-
keeping Service • Bank Remodeling and Modernization
Public Relations and Advertising • Credit Information
Correspondent Conferences • Assistance in Special Events*

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The First National Bank of Chicago

Dearborn, Monroe and Clark Streets

Building with Chicago since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

(CONTINUED FROM PAGE 102)

owned and operated by the citizens of the community which they serve must be protected and preserved. They must not be allowed to lose their identity through being swallowed up by larger banks in other communities, and relegated to the status of a branch bank. Absentee bank-ownership seldom works in the best interest toward development of the community because the bank owners' real interest is centered in larger towns and cities.

"If we are to make the same progress in the future as we have in the past," he went on, "our local communities must rely on the home-owned and home-operated bank, and assist it in retaining its identity rather than lose it by succumbing to the lure of the advocates of branch banking."

James S. Peters, outgoing president of the association and president of the Bank of Manchester, Georgia, said the association's leaders felt that "had there not been a change" in the national Administration, "we

could have secured remedial legislation in the present session of Congress." Now, however, he added, "we must begin all over." "It is my hope," he asserted, "that you will continue this fight until the day may come when we have laws that place us on a competitive basis."

Mr. Peters reported that the association had a membership of 4,654 at the end of 1952.

H. Earl Cook, director of the FDIC, speaking on "Progress in Bank Examinations," said that whereas examinations once were "simply the stethoscopic soundings of a bank's condition," their scope had been extended to include "prescription as well as diagnosis." Development of examinations into a tool for educating bankers and correcting poor managerial practices, he asserted, has as its purpose the strengthening of management. "None of the supervisory agencies has any inclination, right or ability to assume the functions of bank management, and all are determined to avoid any encroachment upon this citadel of free enterprise."

W. J. Bryan, vice-president of the Third National Bank, Nashville, was elected first vice-president of the association, and Joseph V. Johnson, president of the Johnson County Bank, Tecumseh, Nebraska, second vice-president. Carl H. Pohlad, vice-president, Marquette National Bank, Minneapolis, was reappointed treasurer, and Ben DeBois of Sauk Centre, Minnesota, was renamed secretary.

Interested in Tax-free Income?

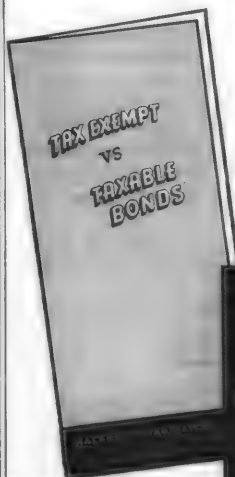
There's but one answer to that, for both banks and individuals. More and more of us are becoming more and more interested in permissible relief from the income tax burden.

Fortunately, there not only is tax relief but for many there's actually extra income in the tax-exempt yield offered by state and municipal bonds. You might find it highly advantageous to look into these attractively priced issues with your own portfolio in mind.

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AND OTHER PRINCIPAL CITIES

Our up-to-date comparison chart—"Tax-Exempt vs Taxable Bonds"—presents clear tabulations to help you determine the degree of tax relief a bank or other corporation may expect from municipals. Send for it, together with our latest list of selected tax-free bond offerings. No cost or obligation.



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"No bachelors? But your ad says plenty of opportunities"

GULF OIL CORPORATION

REPORTS ON ITS ACTIVITIES

FOR 1952

.....CONSOLIDATED BALANCE SHEET, December 31.....

ASSETS			LIABILITIES		
	1952	1951		1952	1951
Cash and marketable securities	\$ 329,896,158	\$ 285,039,756	Current liabilities	\$ 297,585,663	\$ 275,569,862
Receivables (Net)	164,378,006	162,768,111	Long-term debt	181,729,800	185,023,669
Inventories	170,055,548	153,486,785	Reserves	24,201,044	23,011,570
Total current assets	\$ 664,329,712	\$ 601,294,652	Deferred income—foreign	35,245,198	35,935,446
Investments and long-term receivables (Net)	127,717,313	117,496,675	Capital shares (23,598,120 in 1952; 22,690,500 in 1951)	589,953,000	567,262,500
Properties, plant, and equipment (Net)	823,005,470	785,045,048	Other (Capital surplus)	22,690,500	—0—
Prepaid and deferred charges	12,226,899	7,782,533	Earnings retained in the business (Earned surplus)	475,874,189	424,815,861
TOTAL ASSETS	\$1,627,279,394	\$1,511,618,908	TOTAL LIABILITIES	\$1,627,279,394	\$1,511,618,908

.....CONSOLIDATED INCOME STATEMENT.....

	1952	1951
NET SALES AND OTHER REVENUES	\$1,539,154,673	\$1,448,011,883
EXPENSES:		
Purchased crude oil, petroleum products, and other merchandise	\$ 619,493,767	\$ 626,461,708
Operating, selling, and administrative expenses	506,203,097	438,028,185
Taxes, other than income taxes	31,686,172	30,097,351
Depletion, depreciation, amortization, and retirements	128,994,786	109,232,432
Interest	5,031,328	5,039,739
Estimated income taxes—U. S. and foreign	105,925,195	103,958,058
	\$1,397,334,345	\$1,312,817,473
INCOME BEFORE SPECIAL CREDIT	\$ 141,820,328	\$ 135,194,410
Special credit (Net of tax)	—0—	\$ 4,876,522
NET INCOME	\$ 141,820,328	\$ 140,070,932

.....OPERATING HIGHLIGHTS.....

	1952	1951
Net crude oil produced—Total barrels	252,306,000	231,168,000
Daily average barrels	689,360	633,337
Crude oil processed at refineries—Total barrels	182,118,000	182,847,000
Daily average barrels	497,591	500,951
Refined products sold—Total barrels	196,712,000	191,026,000
Daily average barrels	537,463	523,359



A limited number of copies of Gulf's 1952 Annual Report are available upon request to P. O. Box 1166, Pittsburgh 30, Pa.

Methods and Ideas

(CONTINUED FROM PAGE 60)

cluding American Institute of Banking courses; friendly co-workers, pleasant surroundings; and "I get my luncheons without cost!"

On the fourth cover there's a map showing how to reach the bank from various points in the New York area; also the names of the persons with whom an appointment can be arranged.

The booklet is being distributed by guidance teachers in metropolitan district high schools.

Bank Report in News Style

PENINSULA NATIONAL BANK of Cedarhurst, New York, which serves five Long Island towns, recently issued a novel report. Published in the size and format of an eight-column newspaper page, it presented the bank's activities of 1952 as news stories.

Headlines included: "Bank Hostess Wins Friends Among Ladies" (about the bank's new business representative who visits newcomers); "Loan Services Growth Cited Over 30 Years" (a story on instalment loan service); "Shop at Home Has Long Been Bank By-word" (covering the bank's billboard campaign and efforts to stimulate local trade); "Thrift Services Offered Through Years; Wartime Aid to Nation" (the bank as "center for thrifty people"); "Uncle Sam Is Regular Book Viewer" (how the depositors' money is looked after).

The statement of condition ap-



This chapter of the recruiting picture story is captioned: "Before finishing school I went job-hunting, and my search ended at The Hanover Bank . . . my interview was a pleasant visit. I found the job I wanted!"

peared in the center of the page. There were many short features, among them "Community Activities Occupy Bank's Staff in Five Towns," and "Specialized Training Aids Staff in Giving Good Financial Advice."

A two-column story headed "Bank's Directors Represent Community Views and Sound Business Backgrounds" presented the board members and pictured each.

Inter-Office Competition

THE CITIZENS & SOUTHERN NATIONAL BANK of Atlanta annually awards the Mills B. Lane Trophy to the office or affiliate in Georgia that has the outstanding record for the previous year in staff citizenship, business development and operations.

The Macon office won the award for 1952. Its employees were active in 10 civic clubs, 11 service organ-

izations, three fraternal groups and nine other associations. They also participated in local fund-raising, church and other local projects.

In business development the Macon staff took part in a program of calling on customers and prospects to acquaint them with the ways in which the bank's services could help reduce operating costs and overhead. At the yearend the office had more than 25,000 accounts. Also, its operating efficiency was highly rated by the award committee, headed by President Mills B. Lane, Jr.

The trophy was established by William Murphey, retired chairman of the C & S board, in memory of the late Mills B. Lane, Sr.

Life Insurance for Commercial Borrowers

THE NATIONAL CITY BANK OF NEW YORK is now making life insurance available to borrowers in the commercial department.

The plan provides that a borrower may get insurance covering the amount of his loan up to a maximum of \$10,000. If he dies, payment will be made by the insurance company to the bank for application on the loan. The insurance is entirely optional.

Cost to the borrower is 83 1/3 cents a month per \$1,000 of insurance, or \$100 a year for \$10,000. No medical examination is required. Benefits of the plan are available on corporation and partnership loans through insurance on designated individual guarantors or partners.

Borrowers in National City's personal credit department have heretofore been able to get this protection. Since the department was established in 1928 it has insured more than 3,000,000 loans. Of these, 13,000, amounting to \$2,800,000, were retired from insurance.

City's Banks Cooperate in Newspaper Feature

THE Indianapolis banks provided material for a feature story on women and banking written by Miss Thelma Michael, women's editor of the *News*. The full-page article was headlined, "Woman's Place Is in the Bank—and Modern Banker Is Glad of It."

The illustrations were photographs depicting activities of the Merchants National, American Na-

(CONTINUED ON PAGE 109)



The Morgan County National Bank of Decatur, Ala., has a series of lobby displays showing the products of local industries. Arranged as a public service feature, the exhibits are offered as "interesting and enlightening stories" of the community's industrial growth.

Remington Rand Methods News



10 Dual Film-a-records Installed for Multi-Purpose Microfilming Operation

Realizing that microfilm can be profitably employed for functions other than listing, this bank looked for a machine that was versatile—and chose Dual Film-a-record. They find they not only get fast transcribing of checks and other small sized documents but with Dual's exclusive 15" wide feeding throat, get fast and efficient microfilming of large-size archive documents such as ledger cards, mortgages and wills. For details on the speed, economy and versatility of Dual Film-a-record, see booklet F-264.

Know Your Account Analyses Are Correct the First Time

Checking accounts are analyzed in a fraction of the normal time with Remington Rand's Printing Calculator. It enables you to handle all the necessary figure work in one continuous operation and you get "first-time" printed proof of figure accuracy.

One bank with around 30,000 checking accounts now does all miscellaneous listing in their Transit, Proof and Analyses Departments on

Printing Calculators. Where formerly, this took the better part of a week for one person to do on a multi-key machine, with the 10-key Printing Calculator and the touch system, the work is now done in half that time. To see complete examples of one-time account analysis with printed proof, write today for free flyers SPAC-4600.35 and SPAC-4600.36.

Simplified Trust Accounting Procedures Now Available

Trust Accounting has long been recognized as one of the major book-keeping problems of any bank. In an effort to iron out some of these difficulties, Remington Rand Banking experts have prepared a new outline on procedure for trust departments. This outline covers the normal procedure in trust accounting and includes illustrations of the usual types of forms, flow charts and descriptions of the necessary machinery and equipment. The material is available on loan to any bank. Ask for the Management Controller on Trust Accounting MC-801, at your nearest Remington Rand Business Equipment Center.



Need Increased for Effective Visible Personnel Records

The demands made upon bank personnel departments for reliable and complete histories of individual staff members have become increasingly burdensome. Today, you are called upon by government and other agencies to give a variety of data on former staff members and present applicants. You receive requests of a similar nature from schools. You are asked for material of both a specialized and a general nature by prospective employers of former staff members. And finally you are asked by a successive chain of supervisors for details concerning the education, training and performance in assignments when a staff member is being considered for other work.

You Need the Right Records

Records provide the only reliable and fair answers as the years pass, and as changes occur in the functions or staffing of your personnel department. To solve the need for the right records, Remington Rand has developed forms specifically for bank personnel departments. These forms provide condensed visible records summarizing employee status for management—a centralized system for current consultation and a compact system as a reference for future filing. New and old staff members, individually and collectively, are assured that management has suitable data on which to base decisions. For complete information on these as well as many other personnel forms, please write for Catalog X-521.

Remington Rand

Management Controls Reference Library
Room 1945, 315 Fourth Avenue, New York 10

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SPAC-4600.35

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... OF RESEARCH to create this little giant...



ACTUAL SIZE

...but it opens a great new industry!

You are looking here at one of the most important electronic advances of the last decade... the U.H.F. Germanium Diode Mixer *developed by Philco engineers!*

Its importance comes from the job it performs in a U.H.F. television set.

This tiny giant, born in the Philco research laboratories, is one of the many contributing factors in the superior performance of the Philco All Channel U.H.F. tuner. It has made possible the mass production of Philco U.H.F. television receivers which capture the full range of performance in the new Ultra High Frequency band.

This new Philco U.H.F. diode is but the first commercial result of a long program of fundamental research in the Philco laboratories which began with Radar during World War II. During the following years, Philco scientists have concentrated upon the problem of improved performance and freedom from "noise" and distortion in television receivers and all types of microwave, and radar equipment. Intensive study has been devoted to the development of semi-conductor devices such as *transistors* which will have a far reaching effect upon the future design of both civilian and military equipment.

Philco has spent many millions of dollars and untold manhours in its laboratories on a continuing program for this kind of fundamental research. It has been responsible in the past for the great achievements that have made the Philco name a standard of comparison in Television... Radio... Refrigerators... Freezers... Electric Ranges... and Air Conditioning.

And the end is not in sight!



ANOTHER FIRST FROM **PHILCO** RESEARCH

(CONTINUED FROM PAGE 106)

tional, Fletcher Trust, People's State, and Indiana National. There was also a picture of an American Institute of Banking class.

The article covered the efforts made by banks to serve women customers, the increasing number of women employees, and other angles of the women-banking keynote.

"Bankers for a Day"

EQUITABLE SECURITY TRUST COMPANY of Wilmington, Delaware, has an annual "Bankers for a Day" project, conducted in cooperation with the public school system. High school students, selected by their classmates, work as tellers, time sales clerks, loan interviewers, accountants, etc. Twenty young people took part in the second "day" program, held this spring.

Before the students take up their assigned duties they hear a brief talk by John B. Jessup, president of the bank. They are the bank's guests at luncheon, and in the afternoon take part in a conference in which the experiences gained from their bank jobs are evaluated.

Mr. Jessup has presented to the schools of Delaware a "Bankers for a Day" film, designed to help students better understand the part a bank plays in community life. The

The Philadelphia Saving Fund Society's 1952 report was "A Trip to PSFS Town." The small booklet, printed in several colors and liberally illustrated with cartoon drawings, told the year's story in simple terms. One of the pages is reproduced below



...and the 587 full-time workers on the PSFS staff form an enthusiastic, experienced, well-balanced group with just one function--

TO SERVE YOU WELL!

story is told by a girl who participated in the 1952 program.

In Brief

THE CHASE NATIONAL BANK of New York is offering to corporate customers and prospects, for distribution to their employees, a 16-page vital records booklet, "The Affairs of —." It provides information as to the location of important personal papers and names of persons most familiar with one's property.

The Illinois Society of Certified Public Accountants, Chicago, has

published a pamphlet, "Why Fumble for Time and Money?", which calls attention to the financial and operational advantages of the natural business year.

The ELGIN (Illinois) NATIONAL BANK has a new check whereon are pictured products of 22 of the city's leading industries. It's captioned "Center of Quality Workmanship."

The SECOND NATIONAL BANK of Houston takes new employees on a tour of the office to acquaint them with the various departments.

126TH ANNUAL REPORT of THE BALTIMORE AND OHIO RAILROAD CO. HIGHLIGHTS OF THE YEAR 1952:

Net income of \$27,308,828 was substantially larger than net income for 1951.

For the first time since 1931, a dividend was paid on the common stock, at the rate of 75 cents per share. For the third consecutive year, a full dividend of \$4.00 per share was paid on the preferred stock.

Railway operating revenues for the year dropped by 1.91%, but increased efficiency brought operating expenses down by 4.04%, compared with 1951.

Thus, 6.17 cents out of each dollar of revenue were carried down to net income, compared with 4.24 cents in 1951 and with only 1.93 cents in 1949.

Tax accruals of 7.87 cents out of each dollar of revenue, for 1952, exceeded net income, as has been the case for some years.

The average number of employees for the year was 53,732, and the total payroll cost was \$240,693,550, an average per employee of \$4,480.

\$38,227,183 was spent during the year for improvements and new equipment.

STATISTICAL SURVEY

Income:	Year 1952	Comparison With 1951 Increase (+) Decrease (—)
From transportation of freight, passengers, mail, express ..	\$424,871,423	—\$ 7,664,136
From other sources—interest, dividends, rents, etc.	27,280,773	— 219,544
Total Income	\$452,152,196	—\$ 7,883,680
Expenditures:		
Payrolls, materials, fuel, ser- vices and taxes	\$386,361,424	—\$15,635,974
Interest, rents and miscellane- ous services	38,481,944	— 404,826
Total Expenditures	\$424,843,368	—\$16,040,800
Net Income:		
For improvements, sinking funds and other purposes..	\$ 27,308,828	+\$ 8,157,120

R. B. WHITE, President



New revenue for your service for your

Here's a sound proven Plan that has increased the revenue of many banks. Bank officers all over the country see in it increased prestige as well as profits!

It's the Community Credit Plan for local merchants and specialty shops...a Plan that brings you revenue of 5% or more of all charge sales made by every retail outlet participating...and helps increase your service in many other profitable ways.

In this Plan, your bank is in "complete control." Customers apply to you for a charge account. You determine whether the risks are good...and determine credit limits. You take over customer billing and collection...and do it with the simplest, fastest method of handling customer accounts...the same method used by hundreds of department and retail stores all over the country with... *Underwood Sundstrand Cycle Billing Machines.*

Underwood Sundstrand



bank community

**Underwood Sundstrand
Cycle Billing Machines are the —**
Simplest...
Fastest...
Most Automatic...
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Call your local Underwood Office for complete information on the Community Credit Plan and the Underwood Sundstrand Cycle Billing Machine or write to



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Accounting Machines... Adding Machines...
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 Underwood Limited, Toronto 1, Canada
Sales and Service Everywhere

... Cycle Billing Leader of the World



"Bankavision"

(CONTINUED FROM PAGE 34)

a \$4,200 teller machine now in use. All told, New York Savings Bank figures it will have a net saving of \$15,000 a year.

But most important, says Mr. Maloney, is the "recapture" of valuable floor space which the removal of the tellers' file tubes, accounting, typewriting, and other

machines makes possible. He anticipates that the new arrangement will permit the bank to move the tellers' windows back a distance of five or six feet, to gain a total of about 1,800 square feet additional floor space for customers. This will mean that the bank will be able to serve about 50 more people at its

15 windows during peak periods with less delay at each.

These, then, are the immediate advantages which the bank expects from the new system. However, it is in the application of the method to the bank's new branch office that the revolutionary aspect of the development becomes apparent for banking in general. In June, The New York Savings Bank will open its branch in the Rockefeller Center area, one of the most expensive rental sections anywhere in New York City.

By means of the television system, record keeping at the new office will be kept at a minimum, and virtually all of the high cost space which it occupies will be available for direct service to customers. All accounting will be handled at the main office downtown, some two miles away.

As Mr. Maloney points out, ultimately, all record keeping and clerical detail of the banking operation can be kept remotely situated from the banking office in low rental locations, with access provided by means of these modern devices.

What the system holds for straight commercial bank use, only the future will show, but it is reported that one bank in London, England, has been using it on a limited basis for some months. In any event, the use of television by savings banks in this country is not likely to dampen the current interest in thrift accounts, retail banking, and expansion through branches. (END)

Signature being transmitted by the camera



*A fictional character with a very factual effect.

Not just one imaginary, but a number of very real bank officers and other specialists at Central National think in terms of world-wide finance . . . which means that they have at their finger tips the answers to financial problems involved in foreign trade. We're specialists in import-export transactions. In fact, *our* Foreign Division can be *your* Foreign Division, since our complete facilities are available to you and, through you, to your customers.

Call or write any time.

CENTRAL NATIONAL BANK of Cleveland

CLEVELAND 1, OHIO

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



OUTMODED FILES keep clerks hopping and hunting for records. The cost, in lost time and motion, is tremendous!

"Caught Stealing"

in banks all over America!

Old-fashioned "Hunt and Pick" Card Filing Systems Robbing Hundreds of Banks of Time and Money!

LOOK CLOSELY in your bank. Watch those little drawer files, tub files and any *other* files that contain *active* records the bank refers to constantly.

See how much of your clerks' time and energy they steal. Add up the cost. Figure in the resulting clerk fatigue, slow service, inefficiency, errors. That's what you'll *save* with Revo-Files!

Modern Revo-File eliminates lost time, lost motion... instantly "turns up" needed records!

HERE'S A PROVED WAY to give your clerks *finger-tip* control over thousands of

signature cards, credit cards, mortgage records—*any* records the bank uses constantly. Revo-File "rounds them up" into a compact, mobile unit your clerks use with top efficiency—from an easy *sitting* position.

No costly transposition job necessary. You use the *same* records you have.

IF YOUR BANK HAS 3,000 or more active cards, it will pay you to check the reasons why many leading banks and businesses are turning to Revo-File: the increased efficiency... reduced costs... the savings in time and money. Mail coupon, today, for free illustrated folder. It's an eye-opener!



REVO-FILES MAY BE used singly, or arranged in batteries. Each Revo-File occupies about 3 feet of floor space. Variety of models (including fully automatic electric type) to accommodate all standard card sizes.

IF IT'S MOSLER . . . IT'S SAFE

The **Mosler Safe** *Company*
Since 1848

World's largest builders of safes and bank vaults . . . Mosler built the U. S. Gold Storage Vaults at Fort Knox and the famous bank vaults that withstood the Atomic Bomb at Hiroshima

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- BANK.....
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COAST BOOK COVER COMPANY

810 East Third Street, Los Angeles 54, California

News for Country Bankers

(CONTINUED FROM PAGE 74)

Bank Boosts Delaware Broilers

THE Delaware broiler business is being boosted by the wide distribution of two 3½" x 6½" blotters by the Farmers Bank of the State of Delaware, Dover. One of the blotters has a crowing rooster silhouetted at the top and has this message imprinted in black over orange: "I'm a broiler from Delaware . . . The Home of Better Chickens."

The second blotter, with a chick in a frying pan silhouetted at the top, carries this message: "Eat Delaware Chicken . . . It's the World's Best."

The bank reports that its efforts to boost a home state industry have met "with most interesting and profitable results."

Seeds for Democracy

THE 1953 drive for seeds for Philippine Islands farmers is under way. Vegetable seeds do not reproduce well on the Islands.

Seeds such as bush, pole, and soy bean, cabbage, Chinese cabbage, tomato, mustard, egg plant, pea, squash, and watermelon are needed and should be sent to Seeds for Democracy, San Francisco, in con-

"Law and the Farmer"

LAW AND THE FARMER. By Jacob H. Beuscher, professor of law and farm law, University of Wisconsin. Springer Publishing Co., Inc., New York, New York. 416 pp. \$4.95. Mr. Beuscher has written a book not for lawyers, but for farmers, farm advisors, agricultural teachers, and others doing business with farmers. It includes information on situations and transactions in which the farmer comes into contact with laws and regulations, including buying, selling, leasing, and inheriting farms; real estate and chattel mortgages; diverting surface water onto a neighbor's land; fences and borders; rights in streams and lakes; sales contracts; etc.

tainers that meet U. S. postal regulations.

Profits from Fertilizer Book

THE Agricultural Committee of the Ohio Bankers Association, in cooperation with the National Fertilizer Association*, and the Ohio State University's agronomy department, has prepared a graphic, three-color booklet that spells out the story of greater farm profits through greater fertilizer usage in the clearest possible terms. The price of the booklet is 30 cents, plus postage.

T. A. Novak, chairman of OBA's Agricultural Committee, states that this publication is the association's "latest (step) in a long series of activities to build a more healthy and helpful relationship between the country banker and his farm neighbors."

*616 Investment Building
Washington, D. C.

Bank News Letters

THE wide interest in the current status of our agricultural economy is reflected in the number of bank news letters—issued by city banks and country banks—which focus the attention of customers and correspondent banks on agriculture. A few of these letters include:

Business Analysis—An Interpretation of the News About Business, published by the First National Bank of Akron, devoted its entire March 15 issue to an article, "Here's What the Farm Problem Means to You," by Paul E. Belcher.

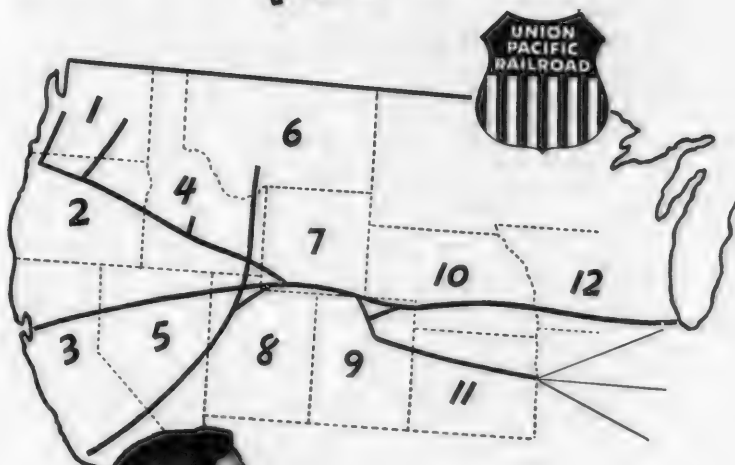
(CONTINUED ON PAGE 117)

Miracles in Fields . . . Modern Weed Control is the title of the latest—the 11th—in a continuing series of cartoon farm relations folders published by The Canadian Bank of Commerce, Toronto. The cartoon below concludes the bank's message on the value of systematic weed control



WEED CONTROL INCREASES INCOME
—IMPROVES FARM LIVING STANDARDS

PICK ANY NUMBER FROM 1 TO 12



They're All Ace High Industrial Areas

1. WASHINGTON
2. OREGON
3. CALIFORNIA
4. IDAHO
5. NEVADA
6. MONTANA
7. WYOMING
8. UTAH
9. COLORADO
10. NEBRASKA
11. KANSAS
12. IOWA

The Union Pacific West covers an immense area. Therein can be found an abundance of raw materials from mines and forests . . . of agricultural products from farms, ranches and orchards. Huge dams provide adequate power at reasonable rates. For dependable, convenient rail transportation, there's Union Pacific. And the West is a wonderful place in which to work and enjoy life.

So it becomes a matter of deciding just which of 12 states can *best* meet your individual requirements. We'd like to be of help to you by furnishing complete details. For confidential information, contact your nearest Union Pacific representative or write Industrial Development Department, Room 270, Union Pacific Railroad, Omaha 2, Nebraska.

UNION PACIFIC RAILROAD

THE NATIONAL CITY BANK OF NEW YORK

Head Office • 55 WALL STREET • New York

67 Branches in Greater New York

57 Branches Overseas



Statement of Condition as of March 31, 1953

ASSETS

Cash, Gold and Due from Banks.....	\$1,525,570,859
United States Government Obligations.....	1,294,061,070
Obligations of Other Federal Agencies.....	31,875,415
State and Municipal Securities.....	516,887,093
Other Securities.....	91,878,720
Loans and Discounts.....	2,278,586,052
Real Estate Loans and Securities.....	6,981,611
Customers' Liability for Acceptances.....	24,524,566
Stock in Federal Reserve Bank.....	9,600,000
Ownership of International Banking Corporation.....	7,000,000
Bank Premises.....	29,382,626
Other Assets.....	7,221,966
Total.....	\$5,823,569,978

LIABILITIES

Deposits.....	\$5,315,875,701
Liability on Acceptances and Bills. \$49,216,378	
Less: Own Acceptances in Portfolio.....	23,021,332
Due to Foreign Central Banks.....	16,544,000
(In Foreign Currencies)	
Items in Transit with Branches.....	9,330,933
Reserves for:	
Unearned Discount and Other Unearned Income.....	22,751,438
Interest, Taxes, Other Accrued Expenses, etc.	41,133,883
Dividend.....	3,450,000
Capital.....	\$150,000,000
(7,500,000 Shares—\$20 Par)	
Surplus.....	170,000,000
Undivided Profits.....	68,288,977
Total.....	\$5,823,569,978

Figures of Overseas Branches are as of March 25.

\$451,340,949 of United States Government Obligations and \$17,287,100 of other assets are deposited to secure \$342,413,004 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

Affiliate of The National City Bank of New York for separate administration of trust functions

CITY BANK FARMERS TRUST COMPANY

Head Office: 22 William Street, New York

Capital Funds \$31,554,356

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JAMES S. ROCKEFELLER
President

STANLEY C. ALLYN
President, The National Cash Register Company

SOSTHENES BEHN
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Shearman & Sterling & Wright

(CONTINUED FROM PAGE 115)

Ozark News and Views, published by the Bank of Gainesville, Missouri, informs its readers on what's going on in government, on the farm, and in the bank that may be of interest to them.

In its *Economic Letter* of March 15, First National Bank of Dallas reports on "The Farm Problem and the Southwest." The *Letter* also includes information on "Credit Unions," "Life Insurance Assets," and "Wholesale Price Indexes."

The Livestock Department of The First National Bank of Memphis, Tennessee, sends out a monthly letter addressed to "Our Livestock and Banking Friends," which includes current information on livestock markets, prices, inventory, etc.

In a recent "Cattle Letter," First National commented on the price decline and other factors. "The most favorable factor in existence today," it said, "is the sharp increase in retail consumption which has occurred in the last eight weeks or more. In the Mid-South this has been between 35 percent and 50 percent of the previous volume, or even more in some instances. Beef has become a 'leader' in many retail market ads."

Bank Adds Two Farm Managers

Two new farm managers have been added to The Citizens National Bank of Decatur, Illinois, farm service department staff, headed by Walter W. McLaughlin. The additions are Ray Eichelberger, a recent graduate from the University of Illinois College of Agriculture, and James E. Dillion, a graduate from the UofM College of Agriculture.

For several years before entering the UofI, Mr. Eichelberger operated his father's farm in Champaign County. Mr. Dillion also has a farm background. Since receiving his master's degree in agricultural economics from the UofM in 1951, he has been an agricultural economics instructor at Missouri U.

Ray Eichelberger James E. Dillion



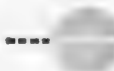
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In the last war the Red Ball Express rolled through France carrying supplies to the troops.

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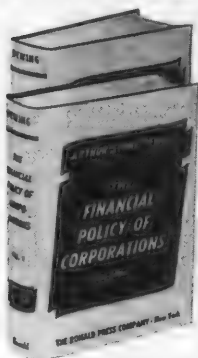


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Brings into sharp focus the social, economic, and political influences which are profoundly affecting the position of the American corporation today. Emphasizes the impact on corporate practice of government regulation and recent significant court decisions; the trend toward larger and fewer corporations; the development of new types of securities to meet the growing demands of the institutional investor.

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Start With an Open-End Question

DONALD A. LAIRD

WITHOUT striving for publicity, Socrates became the best known man in Athens. His questions made people talk—and think. Sort of a forerunner of radio quiz shows, but with an important difference. He did not ask trick or trivial questions. He started conversations with questions that made people stir up their brain cells: "Do you think women are as capable as men are?" "Do you think freedom is good for mankind?" "How could our government be improved?"

Socrates didn't know the answers himself. His questions were not to show off his knowledge, but to add to it.

Let's look into this art of using questions, and note some of the fine points which have been uncovered by psychological studies in recent years.

Socrates' questions brought forth a lot of talking to answer. They were open-end questions.

Choosing a Topic

An old Chinese saying emphasizes the wide range of safe topics: "There are 346 subjects for elegant conversation." Here is a guide to help one pick and choose from the 346 subjects.

Geographic questions are usually secure, unless they are asked challengingly to belittle some region. "What have you found most interesting in New England?" is a safe open-end question. ("Is this your first trip to New England?" is a closed-end that may limit talk to one word.)

Imaginative questions are useful and flattering. Examples: "What radio stars do you think will still be popular 10 years from now?" "What do you think has been the most useful invention?" "If you could travel any place in the world, what places would you especially like to visit?"

Preference questions switch the other person into a pleasant mood. They are opinion questions which bolster his ego. "What do you like best about Spring?" "If you moved, where would you prefer to live, and why?" "What do you like best about this orchestra?"

Old Oaken Bucket questions, dealing with the good old days, are useful with practically everyone. Questions about "way back when" start older people on long chains of recollections that are often fascinating to hear. But it is surprising how Old Oaken Bucket questions also arouse conversation in children. Five-year-olds get real pleasure from talking about when they were little.

Opinion questions. Controversial topics are dangerous, but questions about one's opinions are effective and can be safely handled. They are effective starters because they involve the other person's ego. Opinion questions need to be planned beforehand, lest touchy or prying angles creep in. They are useful starters, even when they are closed-end. This is probably because of the ego-involvement when a person's opinions are asked.

You will never worry about having something to talk about if you prime yourself with a few safe, open-end questions. And use them in a friendly manner for self-improvement as well as for making conversation.

NATIONAL BANK OF DETROIT

COMPLETE BANKING AND TRUST SERVICE

STATEMENT OF CONDITION, MARCH 31, 1953

RESOURCES

Cash on Hand and Due from Other Banks		\$ 442,506,119.04
United States Government Securities		713,544,979.52
Other Securities		162,247,003.71
Loans:		
Loans and Discounts	\$ 344,425,043.93	
Real Estate Mortgages	71,928,497.58	416,353,541.51
Accrued Income and Other Resources		6,855,635.70
Branch Buildings and Leasehold Improvements		4,212,715.36
Customers' Liability on Acceptances and Letters of Credit		2,216,039.60
		<u>\$1,747,936,034.44</u>

LIABILITIES

Deposits:		
Commercial, Bank and Savings	\$1,445,859,333.01	
United States Government	135,623,410.83	
Other Public Funds	42,492,087.48	\$1,623,974,831.32
Bills Payable		33,000,000.00
Accrued Expenses and Other Liabilities		12,178,856.86
Dividend Payable May 1, 1953		783,000.00
Acceptances and Letters of Credit		2,216,039.60
Capital Funds:		
Common Stock (\$10.00 Par Value)	\$ 15,660,000.00	
Surplus	45,000,000.00	
Undivided Profits	15,123,306.66	75,783,306.66
		<u>\$1,747,936,034.44</u>

United States Government Securities carried at \$213,401,671.09 in the foregoing statement are pledged to secure public deposits, including deposits of \$11,787,895.73 of the Treasurer-State of Michigan, and bills payable and for other purposes required by law.

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Over 780 Branches in Canada, the West Indies, Central and South America, New York, London and Paris

ASSETS EXCEED \$2,675,000,000

Overnight Check Clearance

THE 40 commercial banks in Nassau County, New York, are putting into operation a "check clearing system on wheels" which will permit the collection of customers' items overnight instead of in five to eight days under the usual method. Banks in neighboring Long Island counties have been invited to participate.

Said to be the first operation of its kind, the new procedure uses a carrier service that will pick up from each bank, at the end of the day, checks drawn on other banks and bring them to the clearing house. Checks drawn on Nassau County banks will be cleared and in their hands when they open for business the next morning. Checks going to banks outside the county will be sent to the Federal Reserve Bank of New York for further routing, or to correspondent banks in the city.

At the end of the day, said the announcement of the plan, debits and credits on the banks will be telephoned to the Reserve bank, which will adjust the reserve balances carried by the Nassau banks, and the checks will be technically collected.

Many Advantages

Oscar Gast, president of the Nassau County Clearing House Association, pointed out that the system will eliminate a clearing procedure that has been in use since horse and buggy days. It will aid the public and the small businessman and merchant operating on limited capital, he said.

"By enabling them to collect more quickly on checks they get for goods or services," Mr. Gast asserted, "they'll have wider use of their own funds and the basis for more flexible operation."

Special concrete and steel vaults to be supplied by the armored carrier will make it possible to pick up and drop off the cancelled checks without interfering with the bank's normal working schedule.

"The Federal Reserve Bank will participate in the operational expenses," said the announcement, "since the system will relieve the Fed of work it is now doing. The

banks will pay the remaining cost according to individual volume."

Valentine Willis, vice-president in charge of cash and collections at the Fed, who worked out the details with the Nassau County bankers, said that at the outset the Reserve bank would supply supervisory personnel and two-thirds of the staff. During the trial period the banks will gradually replace the Fed's employees with their own.

The work will require 43 employees, a manager and an assistant, working evening hours. The site of the clearing operation had not been selected when the plan was announced, but a central location providing about 3,000 square feet of floor space was being sought.

Mr. Gast, who is president of the Bank of Rockville Centre Trust Company, observed that the system would "put an effective end to check kiting." The check kiter, he explained, takes advantage of the time required to collect a check by paying for goods with a check drawn on a bank in another town.

"The professional check kiter," he added, "usually figures he can resell at a profit and make good the check before it bounces. If his scheme falls through, the bank and the businessman are caught in the middle."

The operation will speed some 18,750,000 checks a year, totaling \$1,400,000,000 in the county.

At a resort hotel you are never sure which is bed and which is board.

It could be that government costs so much because we have so much of it.

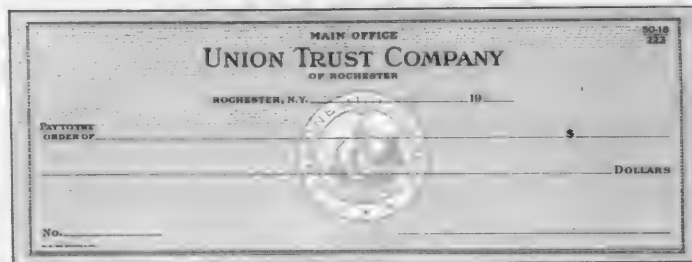
We wonder how many Republican postmasters are now back on the old stamping grounds.

We sort of hate to see prosperity end and then have to listen to an economist who prophesied the end for the last 10 years.

Sometimes we wish the manufacturers of power riveting machines would work on putting studs in a dress shirt.

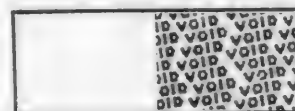
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More beautiful!

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Bank/Mark checks are individually designed for your bank at no extra cost. Here's why they mean extra safety, immediate identification, added prestige:

- 1 Your trade-mark, as created for you by Todd craftsmen, is centered in the surface design of every check.
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- 3 "Burglar alarm" voids appear whenever chemical alteration is attempted.
- 4 The contrasting color on the back of the check—our two-tone process—makes duplication virtually impossible.



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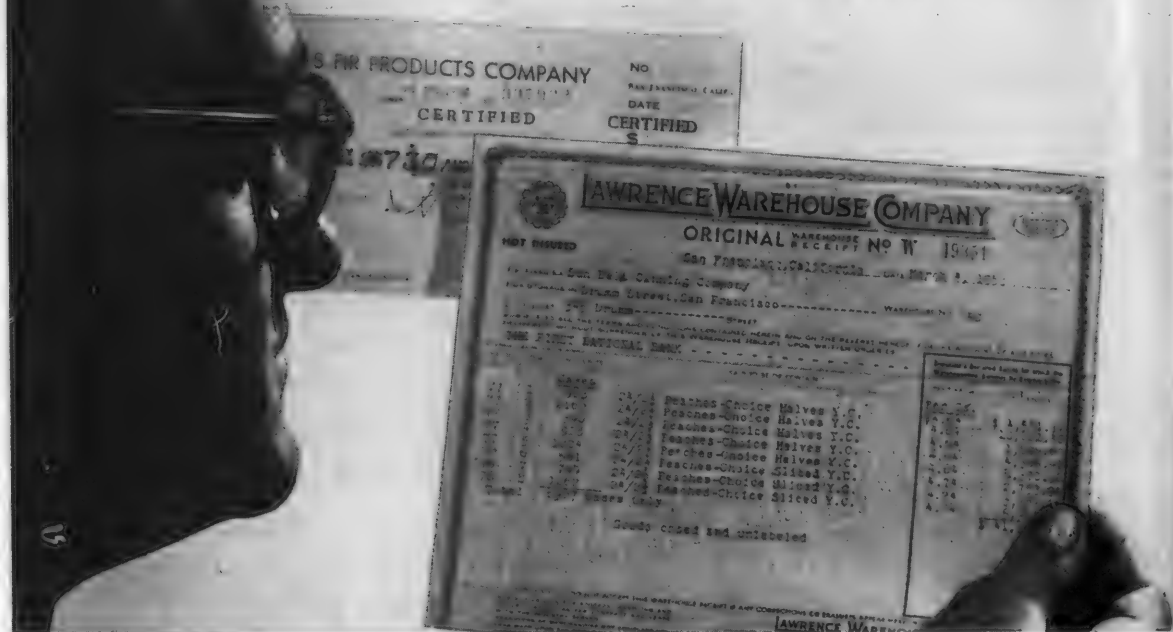
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Agricultural News

Farm Size and Labor Facts

WHILE the Russians have been spurring the merger of small farms into bigger ones by executing a million reluctant farm families, nearly a million U. S. farms have merged into larger ones and the size of the average U. S. farm has risen from 145 acres in 1925 to 215 acres today, according to the family economics bureau of Northwestern National Life Insurance Co.

These economic results have been achieved here in the peaceful American way, the report points out: In 1925 we needed 30½-million persons living on 6,372,000 farms to feed a total population of 116-million Americans. In 1952 a little over 23-million persons operating 5,382,000 farms, fed a total population of 156-million people. In 1925 one American in four lived on a farm; in 1952 one in seven lived on a farm.

In the American development of the past quarter-century, 1½-million workers have been freed from farm work for industrial and other labor.

Actual food production per individual farm worker has a little more than doubled in that time. Slightly fewer acres of cropland—about 340-million—were harvested in 1952 than in 1925—yet a 34 percent larger total population was better fed.

Members of farm families themselves made up 75 percent of the total agricultural labor force in 1925, against 25 percent hired labor; in 1952, farm families furnished 77½ percent of the total agricultural labor force. Somewhat fewer families are farming, but by operating farms that average half again as large, they are living much better and doing a far more efficient job of food production for America, the study says.

Statewide Credit Conference

“A NEW ERA IN FARMING AND BANKING” was the theme of a recent statewide agricultural credit conference in Macon, Georgia, sponsored by the agricultural committee of the Georgia Bankers As-

sociation. W. G. Williamson, vice-president and cashier, Citizens Bank, Vienna, is chairman of the GBA agricultural committee.

Henry S. Cohen, GBA vice-president, who is executive vice-president of the Moultrie National Bank, opened the conference. Among the topics discussed by speakers and panels included: “Long Range Changes to Meet Demands for Increased Production”; “Immediate Adjustments Needed in Georgia”; “Livestock Development in Ga.”

Forestry Ad Mats

FOR the 12th consecutive year the American Forest Products Industries, Inc.,* has issued a proof book of *Forestry Ad Mats* designed to stimulate interest in forest fire prevention and wide woodland management.

The proof book includes 26 individual designs in a range of sizes, each of which provides space for the signature of local advertisers.

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BANCO DE BOGOTA

Oldest established and largest Bank in Colombia
MARTIN DEL CORRAL, PRESIDENT

- Special attention to collections
- Accurate and dependable credit information service

TOTAL ASSETS:

More than \$ 325 Million Pesos
(Aproximately U.S. \$ 130.000.000)

TOTAL COLOMBIAN FOREIGN BUSINESS:

	Imports	Exports
1951:	US. \$ 374. 400.000	US. \$ 459.800.000
1952:	US. \$ 400. 670.000	US. \$ 463.227.000

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ESTABLISHED 1870 • BOGOTA, COLOMBIA S. A.

Unions Promote Savings Bonds

MANY labor unions are working closely with the Treasury Department in the promotion of Savings Bond purchases by their members. Notable among these organizations are the affiliates of the Building and Construction Trades Department of the AFL.

A recent letter on the subject was sent by Joseph D. Keenan, secretary-treasurer of this AFL department, to presidents of various

affiliated national and international unions. It said, in part:

"Because our experience has shown that the Bond-a-Month plan for the purchase of Savings Bonds is more effective with building and construction workers than other plans where employment is stationary, I am calling upon all building and construction unions to lend their vigorous support to this undertaking.

"I suggest that you circularize all of your local unions endorsing the Bond-a-Month plan for the purchase of Savings Bonds. Urge the cooperation of every local union with all building and construction trades councils, and with other groups of men and women in promoting this campaign. Call special attention to the fact that our women's auxiliaries are solidly behind this program.

"For your information, the Bond-a-Month Plan is that method of bond purchase where you authorize your banker to make specified deductions at given intervals from your bank account for the purchase of Savings Bonds. Another method of purchase of Savings Bonds is, of course, the Payroll Savings Plan, which is adaptable to employment where the worker is a regular employee who can make regular payroll allotments for bonds.

"No greater security can be found in a savings instrument today than in U. S. Savings Bonds. Savings Bonds are liquid after two months. The early interest yield is substantial and that yield is very substantial when bonds are held to maturity. The interest rate is guaranteed. In addition, many other attractive provisions are contained in Savings Bonds which do not exist in other types of savings. Savings Bonds purchases are both patriotic and anti-inflationary."



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a banker
needs
a bank...**

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decides
which one he
chooses*

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"Do you have some identification?
Maybe a tattoo or something?"

"A bank is no better than its bookkeepers"

Says *George H. Becht*
Vice President and Cashier
The Franklin National Bank
Franklin Square, N. Y.



Monroes can save you valuable time and money in your bank
Here's why:



"Velvet Touch" Operation speeds, simplifies, and makes the work easier for the bookkeeper.

Monroe Minus Bar makes possible instant correction in any register or position on the form.

Fast Insertion of Forms a remarkably simple carriage for easy, fast, exact insertion of forms.

Automatic Balances and Totals all balances and all vertical totals are automatic.

Compact Size through fine design and engineering reduces work area, saves costly space.

"Bookkeepers are among the most important operators in our bank," says Mr. Becht. "Since most depositors meet the bank through monthly statements, neat businesslike statements make a good impression. That's one reason you'll find Monroe Bookkeeping Machines in our main office and in four of our five branch offices. Besides neatness, we chose Monroes because they're simple, easy to learn, less tiring, and reduce proving time."



THE FRANKLIN NATIONAL, largest independent commercial bank on Long Island, is widely known for its progressiveness and bankers come from all over the country to study its methods, including the Franklin Charge Account Plan which originated here.

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A midwest trust company
began using Purse service
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Its trust assets then
(after nearly half a century)
were about \$15,000,000.
Today trust assets have
a reported value
of about \$60,000,000
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Government Bonds

(CONTINUED FROM PAGE 51)

lost their earlier gains but should stabilize around previous low prices close to a 2.95 per cent to 3 per cent basis. What happens later will depend on what happens to business. The atmosphere of uncertainty so prevalent for the past several months has been considerably cleared. It could be that this offering will prove to have been the cheapest Government issue.

Investments as the chief component of both banking assets and earnings reached their peak at the end of 1945. The great change which has occurred since then is shown in the following brief table.

(000,000 omitted)

	12/31/45	12/31/52	
Loans & investments..	\$124,019	\$141,600	a rise of 14%
Loans	26,083	64,290	a rise of 146%
Investments	97,936	77,310	a decline of 11%
Gov't securities...	90,606	63,230	a decline of 30%
Other securities...	7,331	14,080	a rise of 92%
Deposits	\$150,227	\$172,380	a rise of 15%

As a percentage of loans and investments, investments declined from 79 percent to 54½ percent, while loans rose from 21 percent to 54½ percent.

As a percentage of investments, Government securities declined from 92½ percent to 82 percent, while other securities rose from 7½ percent to 18 percent. The increase of about \$7-billion in other securities was mainly the result of large acquisitions of securities exempt from Federal income taxation.

Both because of the passage of time and the necessity for building up secondary reserves as an offset to the much larger loan portfolios, the maturity composition of the Government security holding was radically altered during these seven years.

Maturity Compromise

Comparing the maturities at the earlier and later dates shows a marked shortening as follows:

% of Total	4/30/46	12/31/52
due in 1 year or less	35%	52%
due in 1 to 5 years	30%	32%
due in 5 to 10 years	28%	11½%
due in over 10 years	7%	4½%

So today 84 percent of all of the Government securities held by commercial banks mature in five years or less, actually considerably less because of the amount of bills, certificates, and bonds due within three years. Only 16 percent mature in over five years, of which only about one-fourth run over 10 years.

This is in marked contrast to the position when the war ended in 1945, when 35 percent of the holdings had longer than 5-year maturities.

Breaking down the figures in the Treasury Department survey of the ownership of marketable Government securities as of December 31, 1952, shows that

(CONTINUED ON PAGE 128)



A REPORTER *gave us a new thought about our business . . . and yours!*

Recently, we were busy making arrangements for our annual Conference for Correspondent Banks in the Tri-state area. Among the press representatives invited to attend was a staff reporter from a leading national business paper.

Looking for more than a routine story, he started asking questions about various talks listed on the program. One subject in particular caught his interest. Its title was, "How Do Your Costs Compare," by Fred DeLong, Assistant Vice President of Mellon Bank.

Our reporter friend started asking numerous questions, admitting that he had never thought of cost analysis as being of particular concern to banks. Finally, to provide him with complete background information, we arranged a meeting with Mr. DeLong.

The reporter learned that we were aiming at a new and simplified approach to an old and somewhat controversial subject—cost accounting for smaller banks. He was told that Mr. DeLong had spent months compiling tables on operating costs for banks of various sizes in the Fourth Federal Reserve District.

It was explained that the tables finally developed provided a "slide rule" by which smaller banks could quickly measure their own need for a cost accounting system.

"Do you expect to get new correspondent bank accounts through this service?" the reporter asked. He was surprised to learn that we did not. This led to a discussion of other phases of our correspondent bank service. As

it continued, our friend seemed more and more impressed with the way we and other banks co-operate with each other to provide better and more efficient service.

Finally, the reporter summed up his thoughts this way, "It's certainly unusual to find one company going out of its way to help others in the same line of business."

We hadn't thought of correspondent banking in exactly that light. Perhaps we in the banking business take it too casually. Perhaps we fail to appreciate that here is an example of voluntary co-operation unique in American business.

★ ★ ★

The reporter's article brought many requests from banks and others for our booklet, "How Do Your Costs Compare." It was also distributed to all those who attended our 1952 Correspondent Bank Conference. If you would like a copy, we will gladly send one, as long as the supply lasts.



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

CAPITAL \$60,100,000

SURPLUS \$150,000,000

This is Mr. A. P. Weed



This is what he says

"The Covington County Bank (of Andalusia, Alabama, of which he is president) is in its second year of sponsoring Fulton Lewis, Jr., on WCTA. During the period of our sponsorship, our deposits have practically doubled. We feel that Mr. Lewis has contributed immensely to our increased business. We also believe that in continuing our sponsorship we will continue to create new users of our service."

This is Fulton Lewis, Jr.



whose 5-times-a-week program is available for sale to local advertisers at local time cost plus pro-rated talent cost. Currently sponsored on 364 Mutual stations by 752 advertisers (including 60 financial institutions), the program offers a tested means of reaching customers and prospects. Check your local Mutual outlet or the Cooperative Program Department, **Mutual Broadcasting System**, 1440 Broadway, NYC 18 (or Tribune Tower, Chicago 11).

(CONTINUED FROM PAGE 126)

of the \$128½-billion of such issues which were then outstanding, the 7,092 commercial banks for which figures were tabulated held just over \$55-billion. What they held was:

(000,000 omitted)

Treasury bills	\$7,047
Treasury certificates	4,791
Treasury bonds due in 1953	4,136
Treasury notes due in 1953	1,021
	<hr/>
	\$16,995
Treasury notes 1954-'57	\$ 9,934
Treasury bonds due 54/55/56	12,439
Treasury bonds due thru 1958	10,016
Treasury bonds due thru 1962	3,179
Treasury bonds due thru 1972	2,647
	<hr/>
	\$38,215

As the greater part of the bonds due in '54-'55 and '56 mature in 1954, over half of all these holdings will have to be replaced within the next two years.

Taxation with representation isn't good either.

There are two sides to every question, and after a politician takes both of them you can't expect him to do more for you.

No woman is old at 50. In fact, she isn't even 50.

Future generations are assured of full employment if they pay off the debt we'll leave for them.

The American people no longer desire to support the Government in the style to which it has become accustomed.

If you think our laws aren't enforced, try getting away without putting a penny in the parking meter.

If the world ever has another war, it will be fought on the way to the poorhouse.

One way to cut Federal expenditures is to let each Cabinet head run the other fellow's department.

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 that offer excellent value in today's housing market,
 as well as high resale value in years to come?
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Year-End Bank Data

A TABULATION of the nation's banks reveals total deposits reached an all-time high of over \$198-billion at the end of 1952, according to R. L. Polk & Co., upon publication of the 117th edition of *Polk's Bank Directory*. Deposits increased \$9,561,822,732 in the 12-month period when compared with last year's figures.

There were 14,654 banks and 5,652 branches operating in the United States, Alaska, and Hawaii.

Polk's indices reflect the increased tempo of bank activity and indicate a trend of mergers and consolidations in the banking field. A recapitulation of bank changes shows that the number of banks continued to decline, while branch offices increased during the year.

Total banks listed in the current edition were 56 less than the 14,710 banks reported a year ago. Branch offices increased 292 in the same period. New banks opened during 1952 numbered 68, while 311 new branches were established.

Banks declared \$216,548,633,036 total resources at the year-end, as compared with \$205,895,039,755 for the end of 1951. Capital accounts also reached a new high of \$16,576,419,140, to top by over \$920,000,000 the amount reported at the end of the previous year.



"I'm back again! It's one of those books I can't put down until I finish it!"

BANKING

Insured Banks' Deposits at New High

SINCE enactment in 1950 of legislation permitting the FDIC to pay an annual dividend or assessment credit, \$201,000,000 has been returned to the insured banks in this form, Chairman Maple T. Harl points out.

The 1953 dividend amounted to \$73,000,000, which reduced the cost of insurance to about 1/33rd of 1 percent, Mr. Harl notes. The American Bankers Association worked for enactment of this legislation for a number of years.

In 1947 and 1948 the FDIC retired all of its common stock by paying to the Treasury \$289,000,000, the amount advanced to the corporation when it was formed, plus \$80,000,000 interest. This \$369,000,000 and the assessment credit makes a grand total of \$570,000,000 either repaid and/or returned to the Treasury or the insured banks. The present net worth of FDIC approximates \$1,400,000,000.

Mr. Harl reports that at the end of 1952 total deposits of all insured commercial and mutual savings banks reached a new high of \$183-billion, a \$10-billion increase, all of which came in the last half of the year following the usual first-half decline to \$177-billion.

Assets of these banks also reached a record level of \$205-billion, a rise of almost \$11-billion. Chairman Harl noted that the rate of growth during 1952 was slightly less than in 1951 which, in turn, saw a smaller increase than 1950.

Insured Commercial Banks

Assets of the 13,439 insured commercial banks totaled \$187-billion at the end of 1952, again of \$9-billion for the year. More than two-thirds of the growth was in loans. Holdings of U. S. Government obligations rose nearly \$2-billion, while investments in obligations of states and subdivisions were up nearly \$1-billion.

Chairman Harl observed that for the first time since 1941 the volume

(CONTINUED ON PAGE 133)

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(CONTINUED FROM PAGE 131)

of loans exceeded investments in U. S. Government obligations. Loans totaled nearly \$64-billion and holdings of Government obligations \$62-billion. Insured commercial bank investments in obligations of state and subdivisions reached \$10-billion for the first time; there was a small decline in holdings of other securities to a total of about \$4-billion. Cash balances were \$44-billion.

All major categories of loans increased in 1952. The most rapid growth was in consumer instalment loans, which increased nearly \$2-billion or 28 percent. Loans for carrying securities increased 24 percent, loans to farmers 15 percent, and single personal payment loans 10 percent. Loans for commercial and industrial purposes and those on real estate each advanced 8 percent.

Deposits of insured commercial banks increased 5 percent to \$171-billion. Demand deposits were 3 percent higher, time deposits nearly 8 percent greater. U. S. Government deposits were 46 percent larger at the yearend, although they declined moderately in the first half of 1952.

Total capital accounts were \$12.5-billion. Mr. Harl noted that the addition of \$662,000,000 to the capital structure of insured commercial banks kept pace with the growth in assets. The ratio of total capital to total assets remained at 6.7 percent.

Insured Mutual Savings Banks

Deposits of these institutions rose 9 percent, totaling nearly \$17-billion at the yearend. More than two-thirds of the \$1,417,000,000 growth was invested in residential real estate. Most of the increase in these loans was in those insured or guaranteed by Federal agencies, which advanced 27 percent to \$4,371,000,000.

Uninsured and unguaranteed residential real estate loans increased 2 percent to \$3,168,000,000.

Investments in securities had a net growth of \$263,000,000, or 3 percent. A drop of \$328,000,000, or 5 percent, in the U. S. Government portfolio was more than offset by sharp advances in holdings of other securities. Investments in obligations of states and subdivisions more than doubled, but still comprised only a small part of total assets. Holdings of other securities were up 27 percent to a total of over \$2-billion.

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ROUTINE

When, under any given set of circumstances, we do the same thing in the same way, we think of it as being routine. Thus, in a bank, when a new checking account is opened there are certain routine duties involved which are handled automatically and more or less in the same sequence.

In recent years something new has been added to this function which, in many banks, has become as automatic as reaching for the signature cards. Each new customer is given a free trial order of fifty Personalized Checks. We sell these "Free Fifties" to banks at a price of sixty cents per order and, since the customers pay for all reorders of two hundred checks each, the banks recover their investment in a few months and eliminate all future check expense.

These banks prefer to make this offer at the time the accounts are opened because the customer is in a more receptive and appreciative mood and each acceptance adds one more user of imprinted checks, thereby more than offsetting any shrinkage due to accounts being closed out. If the offer is not made at the time the account is opened, the natural and normal closing of accounts will rapidly diminish the percentage of customers using imprinted checks.

Last year we executed three hundred thousand orders for Free Fifties and, to the best of our knowledge, we have no bank customers who regret having adopted the program. Apparently the idea pays off in many ways, and we would be pleased to work with any bank who wants to try it.



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Maurice James Is General Committee Chairman for San Diego Trust Conference

Committees for the 27th Western Regional Trust Conference of the American Bankers Association, to be held at the Hotel del Coronado, San Diego, Calif., Oct. 28 and 29, were announced last month by Robert A. Wilson, president of the A.B.A. Trust Division. Mr. Wilson is senior vice-president of The Pennsylvania Co., Philadelphia.

The Conference will bring together trustmen from Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. The trustmen of San Diego will be hosts for the Conference.

General chairman of the Conference will be Maurice James, vice-president and trust officer, The First National Trust and Savings Bank of San Diego. Vice-chairman will be A. G. Reader, vice-president, treasurer, and senior trust officer, Union Title Insurance and Trust Co. J. M. Gilleen, trust officer, Bank of America N. T. & S. A., has been named chairman of the Program Committee.

Other Conference committee chairmen are as follows. All are from San Diego banks.

General Committee: A. G. Reader, vice-president, treasurer, and senior trust officer, Union Title Insurance and Trust Co.

Program Committee: J. M. Gilleen, trust officer, Bank of America N. T. & S. A.

Entertainment Committee: K. S. Walker, vice-president and trust officer, Security Trust & Savings Bank of San Diego.

Finance Committee: E. D. Clapp, vice-president and trust officer, San Diego Trust & Savings Bank.

Hotel and Registration Committee: Lloyd Baldrige, vice-president and trust officer, Union Title Insurance and Trust Co.

Publicity Committee: William Jeffery, vice-president and trust officer, The First National Trust and Savings Bank of San Diego.

Transportation Committee: B. M. Randall, vice-president and trust officer, The United States National Bank of San Diego.

Ladies Committee: Mrs. A. G. Reader.

If your wife laughs at your jokes, you either know some good ones or have a loving wife.

Some people are never pious until they get caught in trouble.

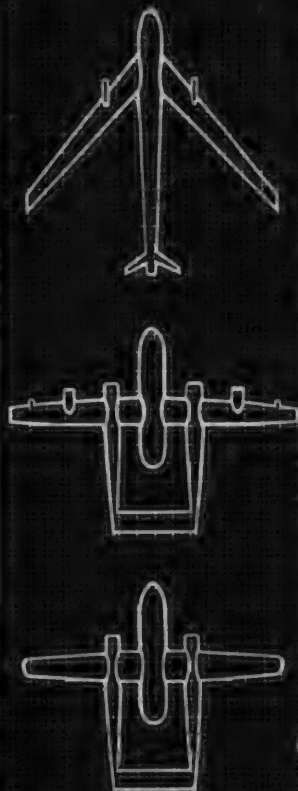
THE FUTURE TAKES SHAPE...

at Fairchild

The future taking shape at Fairchild goes far beyond airplane design. Design today is just a starting point—the Fairchild concept is a complete transportation system fitted to the huge needs of tomorrow. Delta-wing cargo carriers of great capacity, with loading and unloading principles as unusual and practical as the design of the C-119—are coming off the drawing boards. Fairchild—long the pioneer in load-lugging airplanes—is applying its unequalled know-how in developing, at its own expense, new strategic and tactical transport systems bringing into being new and unique land and air vehicles.

These aircraft are taking shape exactly as the famous "Flying Boxcars" grew from an idea to a reality and for the first time provided the Air Force with an "air truck." C-119 cargo carriers designed as work horses came off the drawing boards with these practical features... an unobstructed boxcar size cargo hold open at one end for easy loading and unloading—keeping an airplane where it belongs, in the air and working for a living... short take-off and landing characteristics built to get into and out of rough landing fields, built to drop complete trucks, bulldozers or pieces of artillery by parachute—all for OVERALL lowest "cost per ton-mile." From the Berlin airlift to Korea, in Africa and Labrador, Greenland and Alaska, the Flying Boxcar's range of accomplishment stands as staunch proof of its fitness.

The same completeness characterizes tomorrow's "shape." Be it twin-boom or Delta, when it comes off the Fairchild boards it has PRACTICAL answers in its design.



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MINIMUM TURN-AROUND TIME is basic engineering in all "shapes to come" so that mission of the future will have the lowest "cost per ton-mile."

Whatever the President recommends will be subject, of course, to congressional revision. If the Krem-

lin is able to continue into summer a convincing posture of peace, the Congress might be inclined to cut expenditure allowances below those recommended by the President. On the other hand, if the war threat reappears, Congress probably would follow pretty closely the figures suggested by the President.

Administrative Expense Cuts

The Administration appears to be straining hard to cut administrative expenses. What the Treasury has done in this respect is regarded as more or less typical of the new approach to the problem of economy.

Secretary Humphrey, with the approval of Budget Director Dodge, submitted to the Appropriations Committee a departmental budget for fiscal 1954 which would trim \$50,883,000 from the \$665,328,000 the Truman budget proposed should be allowed for administrative expenses.

This saving of \$50,000,000 represented a vast amount of work difficult for a layman to comprehend. Every activity, study, report, statistical service, etc., was put under a figurative microscope to ascertain whether it was really necessary.

If the cost of operating the Bureaus of Internal Revenue and Customs were excluded, this \$50,000,000 of savings would amount to a 12.2 percent reduction in administrative expenses. However, revenue-raising is, in fact, an administrative expense, so that the real percentage of reduction amounted to 7.6 percent, according to a Treasury spokesman.

Big Items Excluded

Administrative expenses, even of the magnitude of \$600,000,000 however, are only an insignificant proportion of the sums handled by the Treasury. Vast amounts are spent according to statute and hence are beyond the control of Treasury officials. Such items are \$6,350,000,000 interest on the public debt, transfers of \$6,382,000,000 to old age and other trust funds, and tax refunds of \$2,613,000,000.

Thus, the total administrative expenses—less than 5 percent of Treasury payments—are all that are be-

ing subjected to economy, and the amount pared from this small share is estimated at 7.6 percent.

In general this is typical of the approach of the new Administration on economy. Large items of expenditure will not be tackled—items involving statutory programs like farm price supports, housing, and the like. Although the excess profits tax has the reputation of being one of the most difficult to administer, and hence probably one of the most costly taxes to collect in relation to the \$2-billion or so it yields, apparently no thought was given to its abolition. President Eisenhower asked that the tax be continued beyond June 30.

May Postpone Tax Relief

The prospect that the Federal budget will not be balanced in fiscal 1954 will tend to give support to those in the Administration who want to postpone tax relief.

Nevertheless, many important elements in Congress still are determined that the excess profits tax shall not be continued, and that no substitute tax shall take its place.

While Congress has not officially given up hope of balancing the budget in 1954, unofficially and privately the best hope is that the level of expenditures may be held down to the point where the cash budget will in fact be balanced. This would require that expenditures be \$6.6-billion less than the \$78.6-billion forecast by former President Truman. The most informed guess is that military expenditures may be pared \$2-billion.

CED Offers Compromise

A possible basis of compromise between the Administration stand for continuance of EPT and high level personal income taxes and the key congressional leaders who want EPT to lapse and personal income taxes to be cut back 11 percent on an annual basis may have been suggested by the Committee for Economic Development.

This opinion-formulating group of businessmen asserted that it would be possible to cut expenses sufficiently to balance the cash budget and make possible the aforementioned tax relief. It is noted that Treasury Secretary Humphrey and Under Secretary Folsom, among others in the Eisenhower Adminis-



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tration, have been identified prominently in the past with the CED.

Congressional leaders have been hoping that a sum well in excess of \$1-billion could be returned to the Treasury from the liquidation of the assets of certain Government corporations and business activities.

There are two chief sources of such liquidation: the RFC, which the Administration has announced will eventually be liquidated, and the mortgage portfolio of the Federal National Mortgage Association. As to RFC, Harry McDonald, retiring RFC Administrator, guesses the realization in a year would not exceed \$80,000,000. Actually, RFC's chief assets are something like three-quarters of a billion in loans, plus the synthetic rubber plants, valued at some undisclosed figure less than the \$500,000,000 invested in them.

It is probable that the synthetic rubber plants could not be sold for full cash payment in any one fiscal year, but would be sold "on time." The rate of liquidation of loans and investments would depend in part upon the willingness of RFC to sell at discounts.

As to the FNMA's mortgages, an attempt to sell this portfolio might be considered a major change in housing policy, of a type which (as related heretofore) Mr. Cole would not want to undertake until he had completed proposed changes in overall Federal housing policy and programs.

To Study Assets

In the light of this consideration, the Congressional Joint Committee on the Economic Report is expected to commence this year a thorough study of the assets and liabilities of Government corporations and other Federal business activities. No such comprehensive study has ever before been undertaken by Congress.

This study would not only approach the subject from the viewpoint of possible realization upon liquidation of assets. It would also inquire into the vast contingent liabilities the Government has undertaken, legal and moral, in connection with far-flung Federal enterprises.

Jesse P. Wolcott (R., Mich.), chairman of the Banking Committee, is also chairman of the JEC, and he is the individual who conceived the idea of making this study.

Postpone Revenue Revision

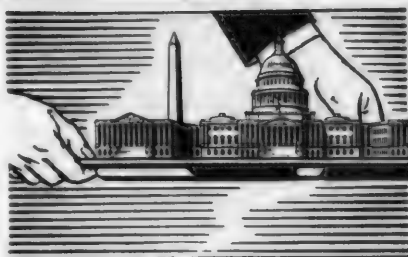
This dim outlook for cutting Federal spending in fiscal 1954 obviously postpones the day when the Eisenhower Administration and Congress can proceed with their joint objective of making an over-all revision of the tax laws.

Under Secretary Folsom, top Treasury man on tax matters, is trying earnestly to establish, in cooperation with the staff of the Congressional Joint Committee on Internal Revenue, a basis for revision in the

tax laws, and to eliminate some of the worst inequalities. The analysis staff of the Treasury under its director, Dan Throop Smith, already has begun intensive study of this subject.

However, it is widely acknowledged that, while providing such equities as more realistic depreciation allowances and reduction of capital gains taxation, and permitting a start toward ending double taxation of corporation income, etc., may eventually build up the na-

(CONTINUED ON PAGE 139)



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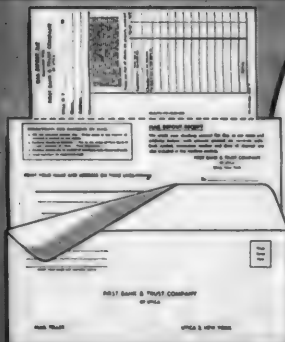
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(CONTINUED FROM PAGE 137)

tion's income and capital resources and hence base of tax revenue, these reforms would for a temporary period diminish the volume of tax revenues.

Hence the condition precedent to tax reform is sufficient curtailment of Government spending to make possible a cut in revenues originally arising out of tax reform.

At first both Congress and the Treasury hoped that a start could be made this year in considering tax reform. It was planned that the Ways and Means Committee would commence hearings this year, and whip a bill into shape for passage in 1954.

Chairman Reed of this committee hoped to commence hearings last month; he has had to postpone them until June.

It is also tacitly acknowledged that some absolute tax relief, such as that proposed by the Reed bill, shall precede tax reform.

In view of the poor outlook for substantial curtailment of Federal spending in fiscal 1954, the fruition of tax reform begins to look some distance away, notwithstanding the fact that Mr. Folsom is giving the subject his full attention.

Treasury Borrowing

On April 13 the Treasury offered for cash subscription approximately \$1-billion of 3¼ percent fully marketable long-term Treasury bonds, dated May 1, 1953, maturing June 15, 1983, and callable on or after June 15, 1978.

The following day, April 14, the offering had to be withdrawn as it was already oversubscribed.

This offering, together with increases in weekly offerings of Treasury bills, was planned to meet the cash needs of about \$2-billion for the balance of the fiscal year ending June 30.

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National Surety Corporation, 4 Albany St., New York

The increases in bills are expected to be absorbed in substantial part by corporations and other nonbank investors.

By directing its borrowing to the general sources of funds mentioned, the Treasury hopes to finance its needs for the balance of the fiscal year with a minimum expansion of bank credit.

The bond offering was also available for exchange of Series F and G Savings Bonds maturing from May 1 through December 1953. Holders of these bonds were given the privilege, during the period prior to May 1, of exchanging them for the new marketable bond at par, with interest-adjustments to May 1.

Eligible F and G bondholders who did not wish to accept the new marketable bond in exchange for their maturing bonds were given the opportunity of reinvesting the proceeds of matured F and G Savings Bonds in other series of Savings Bonds currently on sale, or to receive cash payment.

Delay Affects Banking Bills

Due to the delay of both the Administration and Congress in disposing of urgent problems, certain bills which, as reported last month,

(CONTINUED ON PAGE 142)

Ray M. Gidney, below, former president of the Federal Reserve Bank of Cleveland, was confirmed as Comptroller of the Currency on April 2 by the Senate



Reports of 1952 activities

The Company did well in the election year. Net income before taxes showed an increase over the preceding year. Net sales were the highest in Safeway's history. Uninterrupted dividends on all outstanding stock have been paid since the Company's incorporation in 1926.

NET SALES HIGHEST IN HISTORY

Again in 1952, total aggregate net sales of Safeway Stores, Incorporated and its subsidiaries set a new record, totaling \$1,639,095,212, an increase of \$184,452,216, or 12.68% over net sales in 1951.

EARNINGS AND DIVIDENDS

After deducting preferred stock dividends of \$1,641,948, earnings amounted to \$2.01 per share of common stock. This compares with earnings in the previous year of \$2.26 per share of common stock. Dividend requirements on the 4% cumulative preferred stock and the 4½% cumulative convertible preferred were earned 3.51 times. Cash dividends were paid on the common stock at the rate of \$2.40 per share.

NET PROFITS INCREASED

(Before Taxes)

The net profit before income taxes for 1952 was \$17,094,348 as compared with \$13,318,809 in 1951. After allowing for a refund of excess profits taxes in the amount of \$1,157,000 in 1951 and payment of increased income taxes in 1952, the net profit after taxes on income for 1952 was \$7,331,943 as compared with \$7,615,851 in 1951.

ASSETS AND LIABILITIES

Total net assets of Safeway and all subsidiaries on December 31, 1952 totaled \$132,273,480. Total current assets of the same date were \$232,344,580, and total current liabilities were \$142,948,472.

The ratio of current assets to current liabilities on a fully consolidated basis was 1.63 to 1 as against 1.39 to 1 in 1951.

15 YEAR COMPARATIVE RECORD OF SAFEWAY STORES, INCORPORATED AND ALL SUBSIDIARIES CONSOLIDATED

Year	Capital and Surplus	Net Assets Per Share of Preferred Stock	Book Value Per Share of Common Stock*	Dividends Paid Per Share of Common Stock*	Net Earnings Per Share of Common Stock*
1938.....	\$ 48,407,475	\$314	\$13.84	\$.67	\$1.34
1939.....	51,075,334	308	14.26	1.50**	2.20
1940.....	53,286,166	287	14.38	1.17	1.59
1941.....	60,007,566	270	14.87	1.17	1.64
1942.....	60,154,048	280	15.23	1.00	1.35
1943.....	61,453,200	288	15.78	1.00	1.56
1944.....	62,564,498	299	16.40	1.00	1.63
1945.....	63,604,685	311	16.97	1.00	1.59
1946.....	71,901,081	359	20.18	1.00	4.29
1947.....	76,039,946	388	21.96	1.00	2.75
1948.....	81,972,829	428	24.44	1.00	3.50
1949.....	91,236,990	488	28.22	1.25	5.04
1950.....	115,215,274	371	29.76	2.40	5.20
1951.....	113,821,747	377	29.58	2.40	2.26
1952.....	132,273,480	266	29.03	2.40	2.01

*Number of shares adjusted to reflect April 12, 1945 3-for-1 split.

**Paid in part in five percent preferred stock.

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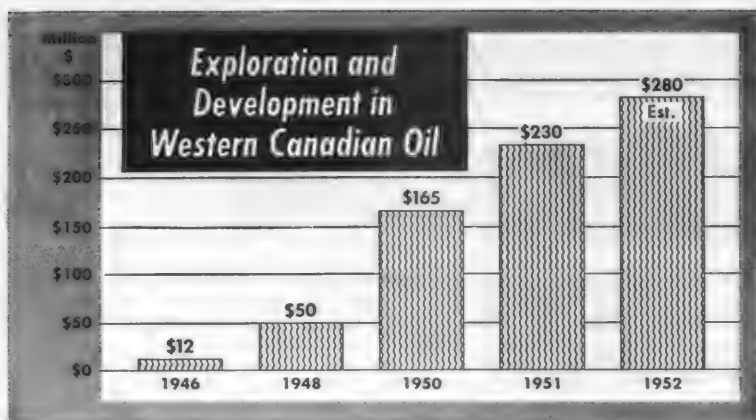
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CITY.....

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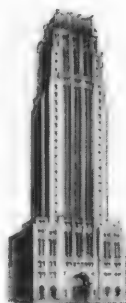


The rapid rise of the Western Canadian oil fields as a factor in the world oil, gas and petro-chemical industries is illustrated in the chart above. American banks are invited to consult with us in behalf of their customers who may be interested in Western Canadian oil activities from any viewpoint. Kindly write either to our Petroleum and Natural Gas Division at Calgary, Alberta, or to any of the offices listed below:

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(CONTINUED FROM PAGE 140)

were likely to get extensive consideration this year, may not get quite so much attention.

One of these is the proposal to regulate further the growth of bank holding companies and their investments in nonbank enterprises. The other is the bill to restrict the Home Loan Bank Board in chartering branches of Federal savings and loan associations.

There is controversy about both of these bills. Hence the Senate Banking Committee, which had slated hearings on both, may be presented for lack of time from carrying consideration to the point where the committee can report out either piece of legislation, it was explained by sources close to this committee.

Chairman Frank Carlson (R., Kans.), of the Senate Post Office Committee, has indicated that he will schedule hearings this year on the bill by Senator Bennett to bring about the liquidation of the Postal

(CONTINUED ON PAGE 144)

This Congress was elected to cut down, not cut up.

The Government needs a reduction in its waste line.

Few modern poets look like poets or write like poets.

People who want controls always want them on the other fellow.

What we want is a dollar that will buy lots of everything except what we have to sell.

One way to cut Government expenses is to cut them.

When an economic problem gets into politics, you keep the problem and lose the economy.

In the old days men blazed trails. Now they burn up roads.

In a small town everybody knows the news before it's published, and they only read the paper to see if it's correct.

How about a bonus to Congress for every billion it chisels from the budget.

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(CONTINUED FROM PAGE 142)

Savings System, although a date had not been set for the hearings at the time of writing.

Ideas Differ on RFC's Successor

Ideas in Congress differ on what sort of an agency, if any, shall succeed the RFC.

Senator Edward J. Thye, chairman of the Small Business Committee, has introduced a bill which he avers is in line with the thinking of the Eisenhower Administration.

The Small Business Administration he proposes would lend to and service small businesses in almost the same way as the present Small Defense Plants Corporation. It would additionally make loans for peacetime purposes, and the amount of any advance of Government funds would be limited to \$100,000. Participations would increase above this limit the amount the borrower could take out.

Arthur S. Flemming, Director of Defense Mobilization, recommended to the Senate Banking Committee

(CONTINUED ON PAGE 146)



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(CONTINUED FROM PAGE 144)
that the Small Defense Plants Corporation be continued.

Senator A. Willis Robertson (D., Va.), has proposed that small business lending shall be carried on by the Federal Reserve Board, in the form of Reserve bank guarantees of loans by banks to small business. Chairman Martin indicated to the committee that he would prefer that the Board should not undertake such an activity.

Proponents of the legislation to liquidate RFC would like to have legislation putting that agency into liquidation sooner than June 30, 1953, when the agency's legal life expires and it goes into liquidation.

President Eisenhower named Kenton R. Cravens, vice-president of the Mercantile Trust Company, St. Louis, Administrator of the RFC, to succeed Mr. McDonald. Mr. Cravens was a member of the Executive Committee of the A.B.A. Committee on Federal Legislation.

The nomination of Mr. Cravens was quickly approved by the Banking Committee.

Benson Would Cut Direct Lending

Ezra T. Benson, Secretary of Agriculture, in the department's revised budget for fiscal 1954, as approved by the Budget Director, would cut somewhat the direct lending activities of agencies of the department.

He proposed to Congress that REA should have \$120,000,000 for electrification loans, compared with \$165,000,000 for the current year. For telephone loans, Mr. Benson proposed a program of \$50,000,000, \$15,000,000 more than for the present fiscal year, but \$15,000,000 less than recommended by Mr. Truman.

For all Farmers Home Administration loans for fiscal 1954, Mr. Benson proposed authorization of \$160,000,000 — \$4,000,000 less than in fiscal 1953.

Proposes New FCA Bill

Chairman Clifford Hope (R., Kan.), of the House Committee on Agriculture has introduced a bill to make the Farm Credit Administration a semiautonomous agency within the Department of Agriculture. This bill reputedly is backed by three major farm organizations, and differs from a similar bill of past



Kenton R. Cravens

years which would have made FCA an independent agency.

The Secretary of Agriculture would be represented on the Farm Credit Board, which would frame policy for the FCA, by one individual designated by him. Objective of this new legislation is to provide a greater voice in FCA policy on the part of borrowing cooperatives, and to diminish Government capital in the agency. (END)

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**Extra Dividends
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The Board of Directors has declared a stock dividend of ten per cent (10%) payable July 31, 1953, to shareholders of record July 10, 1953, and an extra cash dividend of 10c per share on common stock payable July 15, 1953, to shareholders of record July 2, 1953.

Dividend on Common Stock

The Board of Directors has declared a regular quarterly dividend of 20c per share of common stock payable on July 15, 1953, to shareholders of record at close of business July 2, 1953.

L. L. HAWK

March 26, 1953 Sec.-Treas.

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**Hoosiers Study
Farm Credit at Purdue**

(CONTINUED FROM PAGE 76)

farm in the Cornbelt today. This can be obtained through borrowing, renting, owning, or some combination thereof. Sufficient working capital is a critical factor under present economic conditions. Farmers now in a surplus capital position should consider bank deposits, U. S. Savings Bonds, and high grade corporation bonds to protect against possible deflation and to give a balanced investment program.

Financing Young Farmers

Bankers can assist beginning farmers in these ways: (1) Help them realize that a sound business organization is essential; (2) spot promising farmers - to - be and help match them with sound farm possibilities; (3) be the lender, not the farm manager, too; (4) discourage starting on a "shoe-string" under current and prospective profit possibilities; (5) remember that family aid is the rule in getting started, not the exception; (6) discourage purchase of a small farm in preference to renting a larger one; (7) encourage good father-son agreements and assist property transfer from one generation to the other; and (8) realize that good management and personal sacrifice is necessary to accumulate equity capital in agriculture. With declining farm profits and continued high taxes, agricultural lenders will be under increasing pressure to provide more credit for the beginning farmer.

The last session each year is devoted to the economic outlook for the economy, agriculture, and individual commodities. In addition, the farm real estate situation was given detailed discussion this year, and a special session on the role of credit and the many institutions providing this credit to agriculture developed considerable interest.

The clinic is a cooperative undertaking between the Indiana Bankers Association and the School of Agriculture. Topics of discussion and speakers are chosen jointly by the bankers' agricultural committee and a University committee.

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The A.I.B. in Uniform

(CONTINUED FROM PAGE 61)

respondence course, Savings Banking?" queried a soldier. "While coming overseas in a replacement draft, the envelope containing the material was displaced, but I do have the book, and am desirous of continuing toward completion of this course." (He got what he wanted.)

Another serviceman, requesting an extension of time for finishing his correspondence work, said:

"I'm home on a 10-day furlough

and am working every day on the course. I have only two more exercises before I'm finished."

A banker-student, reporting that while in Korea he "just couldn't find time to do any work" on Negotiable Instruments, added that he had returned to this country and would like to start again if he hadn't been "disenrolled." He enclosed the first lesson, "finished some time ago." (His enrollment was extended for a year.)

Another, awaiting receipt of his economics textbook, wrote the national office:

"I hope to do the very best I can and shall certainly try to obtain 75 percent (the passing grade) or better on my tests for each exercise. My working hours are from 8 to 5 every day, from 8 to noon on Saturday. Sundays I have off!"

"A Stronger Banker"

Those who enroll in the "study by mail" program receive from Dr. Leroy Lewis, National Educational Director of the Institute, a letter confirming their registration and informing them that the study materials are being forwarded. To the students' banks Dr. Lewis writes something like this:

"It has just come to my attention that—, an employee of your bank now on leave for military duty, has enrolled for a correspondence course through the American Institute of Banking. We feel certain that this educational training during his period of service in the Armed Forces will make him a stronger banker when he returns to civilian life. Naturally, the Institute is delighted to be able to serve him.

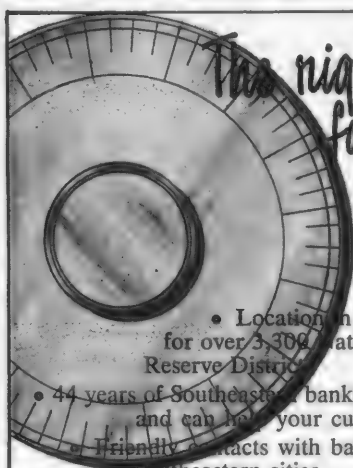
"As you may know, during World War II many banks throughout the country paid the full cost of tuition for their employees in service who enrolled in the Institute courses by correspondence, and we believe that during the present crisis they will want to pursue the same policy. Banks can underwrite the cost of correspondence courses for such employees either by paying the tuition fee of \$30 to the Institute at the beginning of a course or by refunding the amount to the student later.

"The object of this letter is not to suggest a policy for your bank, but simply to let you know what other banks have done in this connection.

"In any event, it will be helpful to learn your opinion of this plan. We shall be glad to furnish you with a list of the courses currently being offered by correspondence if you desire such information."

BANKING's little story about the A.I.B. in uniform isn't suggesting a policy, either. Let's end it by repeating the remark made by that personnel man—the one who mentioned the "smart investment in goodwill, personnel relations, public relations—and good citizens."

J. L. C.



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Who got the most from our customer's dollar?



The employees?

NO! In wages, salaries and benefits, our employees received 14½¢ out of every dollar paid in by Union Oil customers during 1952.

Our payroll, including benefits, totaled \$50¼ million. Divided among our 8,766 employees, this amounted to an average of \$5,810 per person.



The shareowners?

NO! Our profits in 1952 were \$27¼ million, or 8¼¢ of each customer's dollar. Of this amount, our preferred and common shareowners received 3¼¢ per customer dollar. Total dividends paid to our 40,302 owners of common shares averaged \$261.34 per person.

The remaining profits of 4¼¢ per customer dollar had to be returned to the business to help pay for replacement of worn-out equipment and necessary expansion required by the West's greatly accelerated demand for petroleum products.



The tax collectors?

YES! The federal, state and local tax collectors got 18¼¢ of every dollar paid in by Union Oil customers. In other words, they got more than five times as much as the owners of the business and one quarter more than Union Oil employees.

The remaining 58¼¢ of the customer's dollar was divided among the many costs of doing business: raw materials, transportation; interest on borrowed money; and wear and tear of facilities and exhaustion of oil and gas reserves.

To sum it up—1952 was the best sales year in our 62-year history. Yet the 40,302 owners of our business received only a fraction over 3¢ from every customer's dollar. That's far less than many people in this country believe goes to the owners of a big business.

UNION OIL COMPANY OF CALIFORNIA

INCORPORATED IN CALIFORNIA, OCTOBER 17, 1890

This series, sponsored by the people of Union Oil Company, is dedicated to a discussion of how and why American business functions. We hope you'll feel free to send in any suggestions or criticisms you have to offer. Write: The President, Union Oil Company, Union Oil Building, Los Angeles 17, California.

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News for Trustmen

Common Trust Questions

(CONTINUED FROM PAGE 92)

the common fund device was designed for the benefit of small and moderate-sized trusts and that there was a good reason, therefore, for maintaining a \$100,000 limit.

Q. *What about amendment to the Internal Revenue Code to provide for taxation of participating trusts with respect to capital gains on redemption of their units of participation by the common fund, and to eliminate the tax to them on sales made by the common fund trustee, thereby relieving them of taxation on gains which have accrued before they entered the fund?*

A. In a recent poll of banks administering common trust funds, a large majority voted for such a change in the Internal Revenue Code on the ground that the present law is inequitable to late entering trusts and that the cost of administering common trust

funds could be substantially reduced if the trustee could be relieved of the capital gains bookkeeping incident to the present law. Those opposing thought that the \$100 income tax exemption to trusts might prove more advantageous if the present law is maintained. A change in the law is probably desirable, but it will have to be fitted in with other legislative objectives of the Trust Division.

Q. *Could Regulation F be amended to permit the transfer of units at the termination of a trust so as to eliminate forced realization of capital gains?*

A. This would be a highly desirable change in the regulation and would apply to many remaindermen on termination of trusts as a means of continuing their beneficial interest in newly established trusts without being taxed on capital gains incident to the cashing in of their common fund units, as now required by the regulation.

Farm Management As a Trust Service

NOEL T. ROBINSON

These comments by the vice-president and trust officer of the Central National Bank & Trust Co., Des Moines, Iowa, were made at the Trust Division conference of the Kansas Bankers Association. Further remarks from this same address will appear in this department.

Many estates of \$100,000 and more have at least one farm as an asset, therefore, the successful corporate executor and trustee, in order to properly settle that estate and administer the trust thereunder, should have a qualified farm manager on its payroll.

Whether or not the trust department officers of any bank should represent themselves to be farm managers, and solicit agency accounts depends on the individual bank. First it must be considered that the farm manager is just as much a necessity in the trust department as the probate or corporate officer; secondly, if you allocate his salary and expenses to his division of the department, the chances are he will operate at a loss; then why not go after the agency or living trust business and management of other farms in order that a profit can be shown?

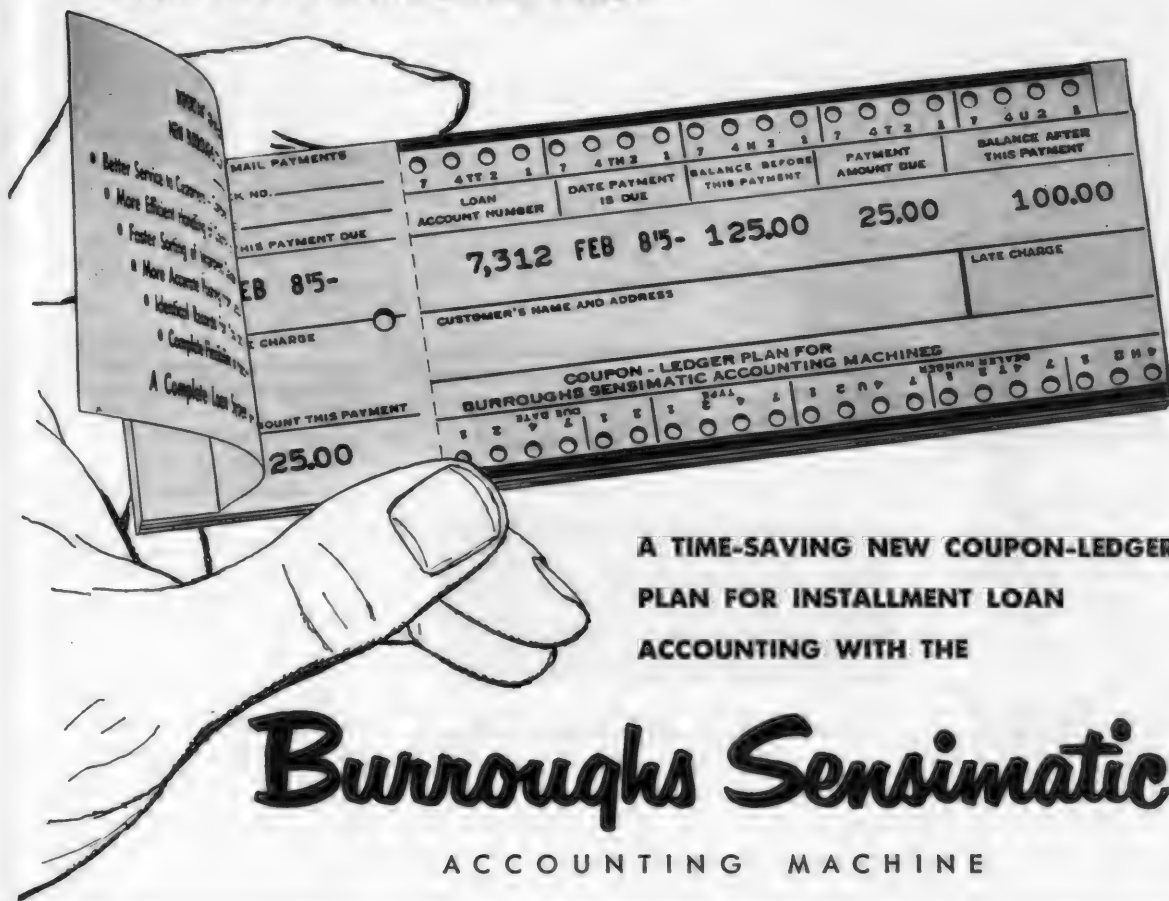
Before any trust department expands its farm management di-

vision further than that required to properly administer those farms in estates and trusts, consideration should be given as to how much territory should be covered. It would be very unprofitable to accept the management of every farm offered, because your territory should be kept very compact. To do this is simple. Take a county where you have several farms in estates and trusts; secure the names of absentee or nonoperating owners; solicit these by direct mail and follow up with personal interviews where possible.

Each fieldman should be able to care for 50 farms, providing they are within a radius of 50 miles from his home. By having him reside in a community close to his work, he can better serve his accounts and the expense of travel will be reduced to a minimum. The rate of compensation in Iowa to the owner of the farm is 10 percent of gross rentals, or a minimum of \$1 per acre, whichever is greater. If present prices continue, the trust departments should enjoy a very substantial profit from each fieldman's efforts.

Farm management is definitely a trust service, because people like having a bank with its responsibility, handle their property.

ANOTHER BURROUGHS FIRST—



MAIL PAYMENTS

BOOK NO. _____

THIS PAYMENT DUE **FEB 85-**

CHARGE _____

AMOUNT THIS PAYMENT **25.00**

COUPON - LEDGER PLAN FOR BURROUGHS SENSIMATIC ACCOUNTING MACHINES

LOAN ACCOUNT NUMBER	DATE PAYMENT IS DUE	BALANCE BEFORE THIS PAYMENT	PAYMENT AMOUNT DUE	BALANCE AFTER THIS PAYMENT
7,312	FEB 85-	125.00	25.00	100.00

CUSTOMER'S NAME AND ADDRESS _____

LATE CHARGE _____

Burroughs Sensimatic

ACCOUNTING MACHINE

With Burroughs new Coupon-Ledger Plan a completely new coupon book is created as a by-product of pre-scheduling the installment loan ledger on a Burroughs Sensimatic . . . and the coupon book provides complete information—including the balance after each payment—in clear, readable type. No more flimsy coupons or hard-to-read perforated numbers.

At the Manchester Trust Company, Manchester, Conn., five customers are being served with this plan in the time it formerly took to serve one. The customers like the complete information furnished on every loan payment coupon, and like

the faster service that this new plan insures. Mail payments have increased more than 50%, helping to relieve heavy window traffic. The bank has been able to move its loan bookkeeping from the window, permitting high speed production on coupon and ledger scheduling, payment posting and control posting.

You can have the advantages and savings of this plan on *your* installment loan operation, too. Just ask your Burroughs representative for more information about the Burroughs Sensimatic Coupon-Ledger Plan, or write Burroughs Adding Machine Company, Detroit 32, Michigan.



WHEREVER THERE'S BUSINESS THERE'S

Burroughs

Coupon-Ledger Plan in use at Manchester Trust Company, Manchester, Connecticut.





CERAMICS INDUSTRY of the Los Angeles Metropolitan Area has grown 20 percent in the postwar period—to a point where annual payroll exceeds \$17,000,000 and employees number 6,000. The industry now produces nearly one fourth of the nation's dinnerware, plus quantities of pottery, earthenware and related ceramic products. The dinnerware styling—modern, with bold colors, new shapes—is winning wide approval.



Statement of Condition March 31, 1953

RESOURCES

Cash and Due from Banks	\$ 386,882,376.29	
U. S. Government Securities	\$915,764,500.68	
State and Municipal Securities	58,274,535.37	
Other Bonds and Securities	15,361,860.35	989,400,896.40
Loans (less reserves)		534,305,776.96
Earned Interest Receivable		5,604,108.79
Customers' Liability under Acceptances and L/C		5,721,352.83
Bank Premises		4,100,514.84
Other Assets		134,900.15
TOTAL		\$1,926,149,926.26

LIABILITIES

Capital	\$ 30,000,000.00	
Surplus	40,000,000.00	
Undivided Profits	47,562,047.42	\$ 117,562,047.42
Reserves for Interest, Taxes, etc.		16,256,986.69
Interest Collected—Unearned		5,658,263.10
Acceptances and Letters of Credit Liability		5,721,352.83
Other Liabilities		276,544.95
Deposits—Time	\$ 609,013,259.89	
—Demand ..	1,171,661,471.38	1,780,674,731.27
TOTAL		\$1,926,149,926.26

Securities carried at \$180,774,466.91 are pledged to secure trust funds and U. S. Government, State and other Public Monies, and for other purposes as required or permitted by law.

BOARD OF DIRECTORS

George M. Wallace, *Chairman*

James E. Shelton
President

Chester A. Rude
Chairman Executive Committee

Elmo H. Conley

L. W. Craig

Shannon Crandall

Thomas A. J. Dockweiler

Gabriel C. Duque

Robert E. Gross

Ralph B. Lloyd

Maynard McFie

William B. Munro

Gurney E. Newlin

John O'Melveny

Fred B. Orman

John J. Pike

Elbridge H. Stuart

Milton M. Teague

Edward R. Valentine

C. T. Wienke

Dr. John C. Wilson

**140 Offices and Branches serving
Central and Southern California**

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

MAIN STREET

(CONTINUED FROM PAGE 30)

When the *Charlotte* (North Carolina) *Observer* started a new series of profiles of leading Carolinians, subject for the first article was ROBERT M. HANES, president of Wachovia Bank and Trust Company, Winston-Salem, and president in 1939 of the American Bankers Association.

T. E. IVEY, JR., has completed 45 years with California Bank, Los Angeles. He's a vice-president and director.

THE FULTON NATIONAL BANK, Atlanta, Georgia, plans construction of a 25-story office building. It is to have the largest square-foot area of any office building in the city and the first major office building erected in downtown Atlanta since 1930. Construction is expected to start June 1.

Together Again

JOHN B. MACK and J. WILLIAM IRWIN have formed a new organization, the *Mack and Irwin Advertising Agency*, Freeport, New York. MR. MACK spent 20 years with the American Bankers Association. When he resigned on January 1 to form his own agency, he was deputy manager of the A.B.A., manager of its Advertising Department and director of its Public Relations Council. He was also a lecturer on public relations at The Graduate School of Banking, and is to continue in that role.

MR. IRWIN joined the A.B.A. Advertising Department in 1949 after having been manager of the commercial bank advertising department of The Purse Company, Chattanooga. He left the A.B.A. to form his own agency in Richmond, Virginia.

The new firm is to provide advertising agency service to banks of all sizes.

John B. Mack

J. William Irwin



BANKING



G. Clarke Bean



R. K. Seville

G. CLARKE BEAN has been named vice-president and manager of the Tucson office of the Bank of Douglas, Phoenix, Arizona.

ROBERT K. SEVILLE, secretary-treasurer, on April 1 completed 50 years with the Montclair (New Jersey) Trust Company. He was guest of honor at a dinner given by fellow officers, and the bank is giving him a trip of several weeks to Bermuda this spring.

Three vacancies in its board at the Federal Reserve Bank of New York have been filled: N. BAXTER JACKSON, chairman of the board of Chemical Bank & Trust Company, New York, is a class A director, term ending December 31, 1955; LANSING P. SHIELD, president, The Grand Union Company, East Paterson, New Jersey, class B director, term ending December 31, 1953; JOHN E. BIERWIRTH, president, National Distillers Products Corporation, New York, class B director, term ending December 31, 1954. (They succeed W. RANDOLPH BURGESS, MARION B. FOLSON, and JAY E. CRANE, all of whom resigned.)

WALTER N. PATTERSON, president emeritus of the National Bank of Cambridge, Ohio, was guest of honor recently at a party which celebrated his 80th birthday, his 60 years of service with the bank, and the bank's 90th anniversary.

The First National Bank, Jackson, Mississippi, announces a number of promotions: J. T. BROWN, chairman; E. E. LAIRD, president; S. C. HART, O. H. SWAYZE, A. RAY TILLMAN, GEORGE C. WALLACE, T. H. KENDALL, JR., and MARVIN E. COLLUM, JR., all named senior vice-presidents; J. H. WALTER, assistant vice-president; and ALVIS T. HUNT, assistant cashier. The promotions all become effective on May 27, the 20th anniversary of Mr. BROWN's association with the bank.

EDWARD D. IBBOTSON has advanced to the board chairmanship of First National Bank, Richfield Springs, New York. He is succeeded as president by JAMES MCKEE, who had just celebrated 50 years as cashier of the bank.

When ROY COLLINS, president of State Savings Bank of Frankfort, Michigan, celebrated his 80th birthday recently, he was subject of a lengthy biographical article in the local paper.

CARL B. BALDT has been named vice-president and comptroller, and ENDSLEY P. FAIRMAN has advanced to vice-president at the Wilmington (Delaware) Trust Company.

The BROWARD NATIONAL BANK of Fort Lauderdale, Florida, celebrated its 25th anniversary with an evening open house. There were roses for the ladies, cigars and letter openers for the men, comic books for the children, and punch and cake for all. Historical pictures of the city were displayed in the bank lobby, and also a collection of rare currency and coins. About 2,500 "friends and customers" attended. Six men and two women who were with the bank on opening day are still there, including president J. D. CAMP.

HENRY T. BODMAN, general vice-president, National Bank of Detroit, has been named to the board of



A century of service: Herbert D. Ivey, left, chairman of Citizens National Trust & Savings Bank of Los Angeles, and his brother Lott Otis Ivey, vice-chairman, have observed their 50th anniversaries with the bank since the first of the year

Detroit Steel Products Company, replacing the late WALTER S. MC-LUCAS, who was the bank's board chairman.

T. M. REINHART was elected executive vice-president of the Loop National Bank of Mobile, Alabama.

The First National Bank of Lynchburg, Virginia, announces election of S. D. MORRISSETT as cashier.

FRANK HALL, assistant vice-president of the Federal Reserve Bank of St. Louis at the time of his death recently, was national president of the American Institute of Banking in 1932.

NEWS ITEM—Local Bankers Dinner and Forum Tonight



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AND A
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WIDE
AS TEXAS**

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paper-shredding
machine



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obsolete confidential
records, waste, etc., into
unreadable shreds, valu-
able packing material.



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American Natl. Bank.....	Newport, Ky.
Bankers Natl. Life Ins. Co.....	Montclair, N.J.
Bank of Virginia.....	Richmond, Va.
Central National Bank.....	Columbus, Neb.
Citizens National Bank.....	Waco, Texas
Frontier Trust Co.....	Ft. Fairfield, Maine
Marine Bank & Trust Co.....	Tampa, Fla.
Pacific First Fed. S. & L. Assn.....	Seattle, Wash.
Security Natl. Bank.....	Sioux City, Iowa
Thomaston Savings Bank.....	Thomaston, Conn.
Todd Company.....	Rochester, N.Y.



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THE SHREDMASTER CORPORATION
Division of Self Winding Clock Company
215 Willoughby Ave., Brooklyn 5, New York

New Books

TAX SHELTER FOR THE FAMILY. By William J. Casey and J. K. Lasser. Business Reports, Inc., New York. 181 pp. \$12.50. This study aims at helping conserve the family income and developing more financial security. Mr. Casey, a lawyer, and Mr. Lasser, tax expert, show the tax and financial results of holding family property in separate or joint ownership, starting new ventures with members of the family, various types of family trusts and partnership agreements, intra-family gifts and rentals, salary and interest arrangements, assignment of income-producing property within the family, and similar methods of reducing tax obstacles.

GOVERNMENT'S ROLE IN ECONOMIC LIFE. By George A. Steiner. McGraw-Hill, New York. 411 pp. \$6. A text by the professor of economics at the University of Illinois.

ECONOMIC STABILITY IN A CHANGING WORLD. By John H. Williams. Oxford University Press, New York. 268 pp. \$5. Essays in economic theory and policy by the Nathaniel Ropes Professor of Political Economy at Harvard University, on the central theme of the relation of economic theory to public policy.

BANKING IN THE BRITISH COMMONWEALTH. Edited by R. S. Sayers. Oxford University Press, New York. 460 pp. \$7. Several contributors cover the recent development, present organization, and the problems of banking in Commonwealth countries.

INVESTMENTS. By Julius Grodinsky. Ronald Press, New York. 552 pp. \$6. "Sound criteria for the evaluation of investments" are provided by the Professor of Finance at Wharton School of Finance and Commerce, University of Pennsylvania.

ECONOMIC ESSAYS. By R. F. Harrod. Harcourt, Brace, New York. 301 pp. \$4.50. A collection of new and previously printed writings by the author of *The Life of John Maynard Keynes*.

By Dagobert D. Runes. Philosophical Library, New York. 198 pp. \$3.75. Dr. Runes says that this book could find no publisher, when it was written 15 years ago, "because it appeared too daring in its accusations."

TEACH YOUR WIFE TO BE A WIDOW. By Donald I. Rogers. Henry Holt, New York. 93 pp. \$2. The financial editor of the New York *Herald Tribune* counsels on wills, investments, insurance, trust funds, and other matters.

MORTGAGE BANKING. Edited by Robert H. Pease and Homer V. Cherrington. McGraw-Hill, New York. 443 pp. \$7.50. Sponsored by the Mortgage Bankers Association of America, this book is written by experienced men representing various segments of the field who report on techniques and practices. Among the subjects covered are: mortgage law, interest rates and mortgage market, appraisals, underwriting, financing of corporations and shopping centers, mortgage loan investors, mortgage servicing, closings, and acquisition of new business.

MANAGING YOUR MONEY. By J. K. Lasser and Sylvia F. Porter. Henry Holt, New York. 415 pp. \$4.95. A practical guide in personal or family finances, including cash income and outgo, meeting emergencies, using personal credit, financial planning, preparation of income tax returns, buying or building a home, budgeting, social security, life insurance.

Total deposits in the nation's banks reached the all-time high of more than \$198-billion at the end of 1952, according to the 117th edition of *Polk's Bank Directory*. The increase for the year was about \$9.5-billion. The directory reports latest statement figures and executive data of the 14,654 banks and their 5,652 branches in the United States, Alaska, and Hawaii. The number of banks listed was 56 less than a year ago. Branch offices increased 292, new banks opened numbered 68, and 311 new branches were established.

THE SOVIET IMPACT ON SOCIETY.

Order "Present Day Banking 1953"



THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, MARCH 31, 1953

RESOURCES

Cash and Due from Banks	\$1,366,472,305.27
U. S. Government Obligations	920,663,748.37
State and Municipal Securities	327,874,065.31
Other Securities	233,227,944.14
Mortgages	42,267,043.55
Loans	2,463,009,140.50
Accrued Interest Receivable	12,487,529.56
Customers' Acceptance Liability	32,000,113.00
Banking Houses	31,968,860.46
Other Assets	7,523,596.82
	<u>\$5,437,494,346.98</u>

LIABILITIES

Deposits	\$4,954,659,825.00
Foreign Funds Borrowed	20,138,779.00
Reserves—Taxes and Expenses	29,244,210.56
Other Liabilities	23,460,763.77
Acceptances Outstanding	34,962,224.02
Less: In Portfolio	2,694,552.92
Capital Funds:	
Capital Stock	\$111,000,000.00
(7,400,000 Shares—\$15 Par)	
Surplus	219,000,000.00
Undivided Profits	47,723,097.55
	<u>377,723,097.55</u>
	<u>\$5,437,494,346.98</u>

United States Government and other securities carried at \$428,293,450.00 were pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

BUSINESS AIDS

Each month this column will list recent acquisitions, including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as a product endorsement.

Copies of literature may be obtained by addressing requests to the company named, or to the BUSINESS AIDS EDITOR, BANKING.

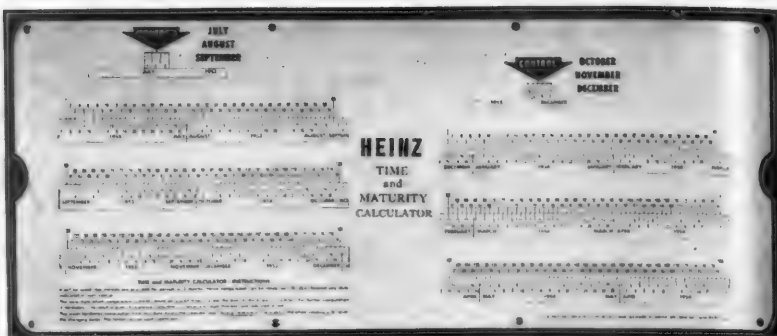
Investment

ANSWERING the query on the future of Canada from an investment standpoint, *Merrill Lynch, Pierce, Fenner & Beane*, has produced a 50-page report covering its major industries and their economic outlook. *Canadian Investments* is offered on request through any office of the firm.



Profits

CAPITAL Goods Review, a quarterly report based on economic and business research, published by the *Machinery and Allied Products Institute*, challenges in a recent issue an overstatement on postwar industrial profits by some \$38-billion. The Institute at 120 South LaSalle Street, Chicago 3, Illinois, offers copies of this issue with illustrated charts to prove their case to all interested in the subject.



Time and Maturity Calculator

A NEW calculator, styled like a slide rule, quickly tells the number of days between two dates, the maturity of a note or other instrument, without mental figuring of any kind. At the same time, it automatically indicates whether the maturity date is a Saturday, Sunday, or legal holiday. It consists of a permanent holder and an insert covering a calendar year. For a 10-day trial or literature write: *E. N. Heinz, Sr.*, P. O. Box 427, Oak Park, Illinois.

Intercom

TALK-a-Phone Company, 1512 South Pulaski Road, Chicago, has introduced a new 20-watt unit, featuring a baseboard-mounted power supply which delivers up to twice the maximum output of its 1952 counterpart. Literature is available on other technical improvements of this item.

Mail

A NEW folder illustrating and describing envelopes especially designed for banking needs has just been released by the *Tension Envelope Corporation*, 19th and Campbell Streets, Kansas City 8, Missouri. Write for a file copy.

Bonds

THE Research Department, *Bache & Co.*, 36 Wall Street, New York City 5, has produced a special study

on Japanese bonds—external issues payable in U. S. dollars. This 27-page analysis, also covering bond yield tables, is available upon request.

Business Outlook

THE PULSEBEAT OF INDUSTRY—JANUARY 1953. McGraw-Hill editors discuss current trends and the industrial outlook, based upon their knowledge of specific industries. This digest report for top executives covers a variety of industries including aircraft, chemical process, mining, electrical industry, electronics, motor, power, textiles, etc. Offered by *McGraw-Hill Publishing Company*, 330 West 42nd Street, New York 36, New York.

THE PULSEBEAT OF INDUSTRY

CURRENT OUTLOOK FOR BUSINESS AND INDUSTRY BY MCGRAW-HILL EDITORS

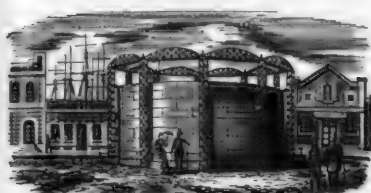
1953



1852 ~ Our Centennial Year ~ 1952

PGE

Reports on its 100th year of Operations



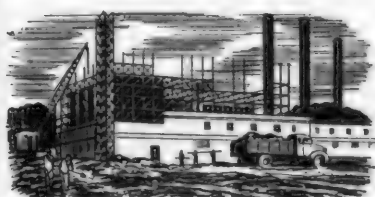
1852—One hundred years ago, August 31, 1852, the San Francisco Gas Company, first gas utility in California, and the West, was established by Peter Donahue.



1879—California Electric Light Company provided the first electric service in California. Its central station was the first in the United States and probably the world to serve customers electricity.



1905—Pacific Gas and Electric Company, incorporated October 10, 1905, consolidated California Gas and Electric Corporation and San Francisco Gas and Electric Company.



1952—Our Centennial of public service was celebrated while engaged in the largest expansion program ever undertaken by any similar utility.

Highlights OF THE YEAR'S OPERATIONS

Gross operating revenues passed the \$300,000,000 mark for the first time, reaching a new peak of \$313,985,000 for the year. The increase over the previous year was \$34,486,000, or 12.3%.

Sales of electricity totaled 13,424,000,000 kilowatt-hours, and sales of gas 220,073,000,000 cubic feet, exceeding those of the previous year by 6.3% and 9.8%, respectively. Excluding agricultural power, which decreased because of the unusually wet year, electric sales increased 8.8%.

The addition of 107,591 new customers in 1952 resulted in a year-end total of 2,627,789. It was the sixth successive year in which we have added more than 100,000 customers.

Construction expenditures totaled \$162,000,000, bringing to \$978,000,000 the amount spent by the Company since the close of World War II to expand and enlarge its facilities for serving the public.

There was an increase of 9,867 in the number of those participating in the Company's ownership. At the year-end the Company was owned by 198,330 stockholders, making it one of the most widely-owned corporations in the United States.

The California Public Utilities Commission on October 15, 1952 rendered its decision on our application filed in 1951 for an increase in electric rates, concluding that the Company was entitled to an over-all increase of \$32,990,000, based on estimated 1952 volume of sales.

Our Centennial was celebrated with appropriate ceremonies in 1952, in observance of the organization of the San Francisco Gas Company on August 31, 1852, our earliest predecessor utility company.

The Company was honored in receiving the Charles A. Coffin Award, in recognition of its contribution to the development of electric light and power for the convenience of the public and the benefit of the industry.

Net earnings for the common stock amounted to \$2.52 per share based on the average number of shares outstanding, compared with \$2.14 per share in 1951. As the result of higher electric rates placed in effect late in the year, a further improvement should be expected in the Company's earnings.

The year 1952, our Centennial Year, was in many respects one of the most satisfactory in the Company's history.

The year's events would appear to justify an optimistic outlook. Most of the Company's difficult postwar problems now have been resolved, or are in the course of solution. Needed increases in both electric and gas rates have been obtained. We have a relatively new plant in excellent condition, 58% of its dollar value having been installed since the close of World War II. Our service area continues to develop rapidly and is becoming more diversified.

The Company begins its second century of public service in as good or better condition than at any time in its long history.

W. C. Christensen
President

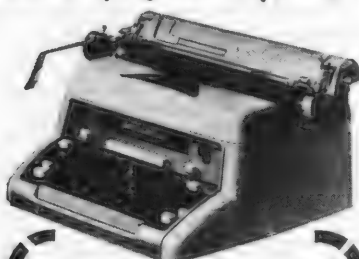
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A copy of our 1952 Annual Report to Stockholders will be supplied upon request to K. C. Christensen, Treasurer.

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BANKING'S ADVERTISERS

May 1953

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Company _____
Address _____
City _____ State _____

The OUTLOOK and Condition of Business

(CONTINUED FROM PAGE 33)

One hears a great deal of criticism by old-timers in Washington about the fact that this business administration has not performed more businesslike miracles of economy and reorganization in the three months or so they have been in office. Oldtimers should know better than anyone else the basic difference between Business and the business of Government. Every change and every act must be "negotiated" with departments, with Congress, with the people, and with oldtimers in Washington.

News, Views, Cues

So with all these variables in mind let's pick up the news and pick out what counts. Business is planning to spend \$27-billion for expansion of plant and equipment this year, a slight gain over 1952. This figure is one that can shrink fast if the outlook changes, but there is nothing in the picture right now to indicate such a change.

Government spending is not going to decline much even if budget economies are achieved. The fight between the balance-budget-firsters and cut-taxes-firsters will go on all year but in the end both will win.

This prospect is supported by both politics and arithmetic. The reason the excess profits tax seems slated to expire is that many Congressmen feel it favors the big established business and makes life difficult for the new business trying for a foothold.

The reason so many Congressmen favor chalking up some kind of tax relief right away, if not sooner, is that 85 of them were elected last time by less than 5 percent majority and 40 of them by less than 3 percent. Most of them, along with the Administration, were elected on the promise to economize and cut taxes and they must go back to their constituents for approval in November next year.

Both Congress and the Treasury are making extensive studies of the tax question through public surveys and analyses of the impact of taxes on the economy.

A study under way for the information of Congress asked businessmen what they wanted in the way of tax reform and the two things highest on the list were equality and simplification. This report should be ready by June 1 and after that business will be invited to testify on a possible program and bill.

One thing getting serious attention is the elimination of double taxation of dividends. The attention of some legislators has been turned to Canada, where this change is being accomplished by degrees over a period of years.

More consumers plan to buy new cars this year than last or the year before, according to the annual survey of consumer plans by the Federal Reserve Board. Also plans to purchase major household goods are substantially greater than a year ago. The same survey re-

ports a record number of people who feel that their financial position had improved during the past year.

The procession of foreign diplomats and high officials to visit Washington in recent months includes Prime Minister Churchill and a considerable staff, Premier Mayer of France, and Konrad Adenauer of Germany. Their objectives are similar and mainly two: to establish personal contact among leaders of the Western world and discuss problems and plans. All are evidently groping for new approaches in the light of the Soviet peace offensive.

Western Germany's relationship to the other nations of free Europe is the key to many things including, perhaps, the reason for the peace offensive. An entirely logical deduction is that Russia's main purpose is to take the props out from under NATO by apparently removing the only reason for its existence; namely, the Russian threat.

At the same time, they might make it politically more difficult for the United States to continue its generous support to the program.

Privately, members of the British exchequer group who visited Washington have later expressed themselves as greatly impressed by the new group at the Treasury. The British targets, as they describe them, are a reduction of trade restrictions and sterling convertibility. Both of these are approved by Washington and certainly require our help if they are to be realized. Lower tariffs and a removal of other trade impediments, together with a standby fund of dollars, are essential if sterling becomes convertible.

Favorable and Unfavorable Items

Many analysts and commentators are impressed by figures showing overproduction in several major fields, even with a real war on our hands in Korea. They draw the inevitable conclusion that we are heading for a readjustment with or without peace.

The automobile industry is talking in terms of 4,000,000 cars in the first half of this year. Actual production so far in 1953 has been 50 percent over 1952. The outlook for home construction also exceeds last year, despite a steady drop in the rate of new family formation. The Housing Administration has recommended 35,000 new public housing units for the fiscal year starting July 1, the same as during the current year.

Farm prices, which have been slipping for six months, have shown a steadying tendency in recent weeks. Agriculture Department seers think beef prices have stabilized lately because of better demand at lower prices. Other farm surpluses, including dairy products, grain and cotton, continue to pile up.

The over-all supply situation is improving rapidly. Steel executives see a possible reduction to 90 percent of the new capacity. Machine tool deliveries are normal, with new orders slightly off, reflecting in some degree the peace psychology. There is consumer resistance to the higher coffee prices. Gasoline stocks are the highest in history and the same is true of coal.

The business consensus is that decontrol of prices was salutary and long overdue. The full impact will not be felt until the Controlled Materials Plan ends on June 30, giving full play to competition.

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2 FEB 4-53	33.61	0	10.00	H=33.61	L=70.00	8963.75	B
3 MAR 4-53	33.48	0	10.00	H=33.61	L=70.00	8927.36	B
4 APR 4-53	33.34	0	10.00	H=33.48	L=70.00	8890.84	B
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